





'Atrocities' on Mayotte

OAU Accuses French of Plot To Hold Isle by Intermarriage

PORT LOUIS, Mauritius, June 29 (Reuters).—An Organization of African Unity report debated by the organization's foreign ministers today accused France of forcing local women in one of the Comoro Islands to marry French soldiers in order to make the island white.

Amalrik Set For His Exile

(Continued from Page 1)

time the struggle. Once I was on the first line, then on the second and now I will be on the third line. There is no difference in principle between the three, only a difference in degree of risk.

After the years of hardship, Mr. Amalrik deeply wants to believe that he is not abandoning the cause of reform.

"I hope, I am even sure that being there I will be able to be more useful than here," he said. "I think, for instance, that Orlov can be more useful for Bukovsky as a free man than if he were to serve the prison term with Bukovsky."

Shift in Attitude. Particularly significant, he said, has been the shift in attitude of many Western leftists and Communists, once sympathetic to the Soviet Union.

"I don't want to say that the Democratic Movement is the only reason for this shift," he said, "but it has made its contribution because the protest against repressions revealed that they were going on."

Mr. Amalrik, self-assured and arrogant in his convictions, does not seem a man to weep easily. But there were tears when he spoke about this country the other night, reciting passages from the 19th-century poet Mikhail Lermontov on the Russian peoples' abiding belief in their own strength.

"I have a very strong feeling of devotion to this country, which in my case is expressed in the desire to change it," he said. "Other people show their devotion by putting up with everything as it is."

Hijackers Set Terms

(Continued from Page 1)

transport them by their own means. However, French Foreign Minister Jean Sauvagnargues said in Luxembourg that his government "does not intend to give in to a form of pressure which it considers unacceptable."

The demands were presented by Marshal Amin at his Kampala command post to Marc Bonhom, a French Foreign Ministry official.

EEC Cooperation Set. LUXEMBOURG, June 29 (UPI).—New cooperation between the members of the European Economic Community in fighting international terrorism was decided here today by the EEC justice and interior ministers.

The ministers announced a six-point program after a brief and secret meeting. The details of intra-community cooperation were not revealed, but the ministers have agreed to study and exchange information on past terrorist acts which have taken place in the EEC.

The ministers stressed that none of the new measures would impinge on the authority of national police forces or the established competence of Interpol, which is based in Paris.

The island is one of four making up the Comoro archipelago and has chosen to remain French.

The report dealt with "the banditry of 3,000 French troops on that island and the forced marriage of women of Mayotte by the French troops aimed at changing the demographic character of Mayotte so that in after years the island will be full of white children," Mr. Onu said.

In answer to questions, Mr. Onu said he did not know how many women on Mayotte had been forced to marry the troops, mainly members of the Foreign Legion.

The report said it called attention to the danger for states bordering the Indian Ocean of having a French base on Mayotte.

The report also noted France's intention to transform Mayotte into a French department. Mr. Amalrik, who commented that "this is due to the machinations of some French parliamentarians who want to use Mayotte as a constituency."

It also noted that President Valéry Giscard d'Estaing in November, 1974, had said the Comoros should have a common destiny, even if one part of the population wanted to remain French.

In December, 1974, the Comoros voted 95 per cent in favor of independence, but when the bill went through the French National Assembly, some rightist parliamentarians were able to change the bill to independence on an island-by-island basis. It was after this that the Comoros unilaterally declared independence, leaving Mayotte in French hands.

Mr. Onu also said France was guilty of economic sabotage on the island, since it had now frozen all the economic programs it was undertaking on the four islands.

Other developments today included a continuing dispute by press conference between Ethiopia and Somalia over the thorny issue of the French territory of the Afars and Issas and the problem of southern Africa.

The Somali minister for mines and water resources Hussein Gassim, who also is acting foreign minister, said at a press conference that his delegation rejected an Ethiopian proposal that the two countries sign a joint declaration guaranteeing the independence of Djibouti, the name under which the French territory is better known.

Somalia Pledges Recognition. SOGADISHU, June 29 (Reuters).—Somalia today pledged itself to recognize the independence of the territory of the Afars and Issas when the enclave becomes a sovereign state.

The promise came in a joint statement issued here by the Somali government and the Red Sea territory's opposition African Popular League for Independence.

The statement expressed appreciation for France's declared intention to grant the territory independence, as well as the "friendly atmosphere" of the recent talks on the issue with the French government.

The two sides also underlined the necessity of maintaining a common front until a "peaceful and harmonious" independence had been achieved.

Eanes Goes to Oporto To Visit Opponent

LISBON, June 29 (Reuters).—Gen. Antonio de Spínola Eanes, elected president of Portugal two days ago, flew to the northern city of Oporto today to visit one of his main election rivals, Adm. Jose Pinheiro de Azevedo, who is in a hospital.

Adm. Azevedo, 59, was in critical condition immediately after a heart attack last week but the latest bulletin from the Sao Jose Hospital in Oporto said he was making a steady recovery.



PALACE POW-WOW—Queen Elizabeth receiving a group of Canadian Indian chiefs at Buckingham Palace yesterday. The chiefs, from Alberta, were in Britain to commemorate their tribes' signing of treaties which gave land to the crown.

Claiming U.K. Baronetcy Reserved for Males

Woman Cites Sex-Bias Law in Title Fight

By Peter I. Kilborn

BOSWORTH PARK, England, June 29 (UPI).—A pub in this pastoral Leicestershire village is named for the Dixie family. Nearby is the defunct Dixie Grammar School, which gave Samuel Johnson his first teaching job. The Dixie's ancestral home still stands, although now it is the local infirmary.

Three Dixies live here now, all women. They are Penelope Lady Dixie and her daughters, Eleanor, 22, named for the wife of Henry II, and Caroline, 18. The daughters' paternal "great-grandfather gambled away the old house and nearly everything else of value but there is no apparent concern over depleted fortunes."

What does worry them is that Eleanor, the elder child of the late Sir Walsworth Dixie, has been banished from the ranks of the English nobility, probably with all future Dixies. The reason is that Miss Dixie is a woman.

Miss Dixie has stirred up a storm over her plight, appealing all the way to Queen Elizabeth. In a country where traditions and titles are often more highly prized than money, property or anything else, Miss Dixie's dilemma has aroused considerable interest.

"My father," she said, "was a baronet. He was the 15th in a line of Dixie baronets. I want the baronetcy to go on."

When other noble family trees in Britain stopped sprouting men, the house is bathed in family history. Big old portraits of the baronets of Bosworth Park and their wives fill the walls. Part way up the stairs is an elaborate chart tracing the evolution of the family's coat of arms. Miss Dixie and her mother seal their letters with wax, stamping the wax with the family crest on their rings.

Within easy reach in the house is a weathered sheet of parchment creating the baronetcy in 1680, about 30 years after Charles I authorized it. There, in laboriously written Latin, are the words behind Miss Dixie's dilemma.

Not the Case. It says that the baronetcy—the lowest order of hereditary nobility—may be passed on only through a male heir. Sometimes the rules creating noble families allow daughters to inherit titles in the absence of males. But that is not the case in most noble families and it is not the case for the Dixies.

A Defense Department source said the latest probe started after several inspectors complained "they had been subjected to attempted bribes by Irish meat-packers."

Ireland, West Germany and Yugoslavia all supply meat for the 300,000 U.S. troops and dependents in Europe.

that was the end of them. But Britain has awakened to women's rights, and late 1st year the government enacted a comprehensive law against sex discrimination. It took effect just hours after Sir Walsworth's death last Dec. 28.

So far, however, the law has not helped. Miss Dixie wrote to the Queen, who passed on the letter to the Home Office for advice. The Home Office told Miss Dixie that it had advised the Queen against granting the appeal but did not give a reason. Miss Dixie then wrote to the Equal Opportunities Commission, which was created under the new Sex Discrimination Act. But earlier this month, the commission told her that the law did not cover hereditary titles.

Miss Dixie is now collecting signatures for a petition that she will present to the Home Office. In three days, 400 persons have signed it but she wants hundreds of thousands. "The idea," she said, "is to make them change their mind about their advice to the Queen."

Near Bosworth Field. The Dixies live modestly in an unpretentious brick house whose ground floor they have made into a restaurant and low-keyed discotheque. It stands on the edge of Bosworth Field, where in 1485 an embattled and deserted Richard III is said to have offered his kingdom for a horse. He died there.

The house is bathed in family history. Big old portraits of the baronets of Bosworth Park and their wives fill the walls. Part way up the stairs is an elaborate chart tracing the evolution of the family's coat of arms. Miss Dixie and her mother seal their letters with wax, stamping the wax with the family crest on their rings.

Within easy reach in the house is a weathered sheet of parchment creating the baronetcy in 1680, about 30 years after Charles I authorized it. There, in laboriously written Latin, are the words behind Miss Dixie's dilemma.

Not the Case. It says that the baronetcy—the lowest order of hereditary nobility—may be passed on only through a male heir. Sometimes the rules creating noble families allow daughters to inherit titles in the absence of males. But that is not the case in most noble families and it is not the case for the Dixies.

A Defense Department source said the latest probe started after several inspectors complained "they had been subjected to attempted bribes by Irish meat-packers."

Ireland, West Germany and Yugoslavia all supply meat for the 300,000 U.S. troops and dependents in Europe.

The baronetcy could go to a male cousin but the only one whom the Dixie women recall died at Dunkirk. A Dixie from the United States could try to claim it but the cost of tracing his lineage back to Bosworth Park could be prohibitive. Two centuries ago, a branch of Dixies settled in New York, where they tried to grow tobacco. They failed and moved south.

The first Walsworth Dixie, Lady Dixie said, rallied to the cause of Charles I, providing him with funds to field a regiment for three years. Charles believed he ruled by divine right, a position that cost him his head at the hands of a Parliament against which he had waged civil war. Before then, however, Charles took care of Dixie.

Remains Instead. "The crown couldn't afford to pay him back," Lady Dixie said. "Even kings get hard up you know. So instead he gave out honors."

Eleanor Dixie is hardly a feminist revolutionary, or any other kind of revolutionary. She still supports male prerogatives when there are males around to claim them. And if she is asking the state to modify a tradition that discriminates against women, she is doing it to preserve a tradition that discriminates on the ground of parentage.

"My aim," she said, "is to have the title lie dormant until I produce a male heir."

In Crowded Cairo, Many Find Living Space Among the Dead

CAIRO, June 29 (AP).—Cairo is overpopulated, and finding an apartment or even a spare room can take months.

According to official figures, more than 200,000 married couples are forced to live separately because no apartments are available. Cairo, originally built for 25 million people, now has a population of 7 million.

A new, empty apartment commands "key money" of between \$5,000 and \$25,000. A five-room furnished apartment rents for up to \$1,500 a month.

In these circumstances, a cemetery—the City of the Dead—has become a haven for the living. The vast burial ground on Cairo's eastern edge, where King Farouk is interred, is made up of plots of simple plots but of elaborate two and three-room villas decorated with intricate carvings. Many of them have tree-shaded courtyards and some even have fountains of running water.

The squatters moved in the City of the Dead. Some tomb-owners who resisted the influx are now thinking of moving out their dead forebears and renting the tombs furnished.

The City of the Dead was started more than 10 centuries ago. Like any other medieval Islamic town, it has handsome domed villas, each with one or two nicely decorated rooms and a large tree-covered yard containing the grave.

Most Moslem cemeteries consist of simple tombstones and plain earth plots. The extravagance of the City of the Dead came from the Mamluks, former royal bodyguards who ruled Egypt from AD 1250 until 1517 and built splendid mausoleums, mosques and other monuments.

Salut Functioning. MOSCOW, June 29 (UPI).—In its first report on the Salut-5 space station since its launch last Tuesday Tass said today that "all systems are working normally" on the spacecraft.

Lockheed Civil Versions of C-130 U.S. to Allow Cargo Jet Sales to Syria, Iraq

By Bernard Gwertzman

WASHINGTON, June 29 (UPI).—The State Department has given tentative approval to the Lockheed Aircraft Corp. for the sale to Syria and Iraq of civilian versions of the C-130 military transports already approved for sale to Egypt, officials said yesterday.

A State Department official insisted that any sale of the planes, designated L-100s, would be strictly commercial and that because the L-100s were designed differently from the C-130s, they would be less useful militarily.

Despite the government's efforts to minimize the military significance of such a sale, Israeli Embassy officials registered their concern with the department last week over any increase in U.S. technology to Israel's adversaries.

The Israelis made a major effort to oppose the sale earlier in the year of six C-130s to Egypt and won a pledge by the Ford administration not to sell any additional military equipment to Egypt this year.

Total of 8 Planes

A congressional source said he had been told that Lockheed planned to sell two L-100s to Syria and two to Iraq, with an option to sell two more to each country, making a total of eight.

In another development, a State Department official said that approval had been given for the sale by the Hughes Aircraft Corp. of a \$34-million air-defense system to the Chinese Nationalist government on Taiwan. Of the \$34 million, a third would be financed through U.S. government-backed foreign military credits and the rest would be arranged directly between Taiwan and the Hughes concern.

The official said the sale was consistent with U.S. policy of helping Taiwan defend itself under the mutual security pact between the two governments.

The sale of the electronic air-defense equipment occurs at a time when the United States is gradually phasing out its own military presence on Taiwan, consistent with commitments made to the Peking government in the Shanghai communiqué of February, 1972.

The possible sale of L-100s to Syria and Iraq was viewed by State Department officials as of political rather than military significance.

Soviet Aircraft

Up to now, both countries have relied almost exclusively on the Soviet Union for their aircraft but recently the Syrians have been seeking to expand their contacts with Western countries.

The United States has recently been praising the Syrians for their efforts to bring about a balanced political solution in

Lebanon, and has begun a modest program of about \$100 million in economic aid, some of it food assistance to Syria.

Ties with Iraq are minimal, with diplomatic relations still not restored since the break in ties following the June, 1967, Arab-Israeli war.

The L-100 was developed in the mid-1960s as the civilian equivalent of the highly successful C-130 four-engine, turboprop transport, known as the Hercules,

which was a mainstay during the Vietnam war.

The full designation of the plane under discussion with the Syrians and Iraq is the L-100-3, which is 189 inches longer than the C-130.

The State Department official said the L-100 is less maneuverable than the C-130, lacks the rear door for drops of military equipment by parachute, and has no paratroop doors. It has been structured primarily for cargo.



LEAF RELIEF—Amsterdam firemen give tree foliage a shower as heat wave continued in North Europe.

Rules and Records Fall as Europe Swelters—and Braces for More

PARIS, June 29 (UPI).—For what was said to be the first time the guards who stand in front of the presidential Elysee Palace shed their black coats today because of a three-week-old heat wave.

President Valéry Giscard d'Estaing ordered the guards who stand next to guardhouses on the street to wear light blue shirts instead of jackets with their navy blue trousers and peaked caps.

The weather bureau announced that Paris suffered its hottest night last night. The post-midnight temperature did not fall below 73.4 Fahrenheit (23 centigrade), the highest nighttime reading since the bureau began keeping records 105 years ago. The previous record was set the night before.

Forest fires have been multiplying in France, with the latest reported in the Essonne region south of Paris.

Agriculture Ministry officials studied a plan to move starting cattle to the Pyrenees mountains, where fields still were green.

The weather bureau predicted the worst was yet to come. It said daytime temperatures would continue to rise to as high as 104 F (40 C). Few commercial buildings and virtually no homes have air conditioning in France. The record daytime temperature is 105 F (40.5 C), recorded on July 28, 1947.

In London, the British meteorological office called it the hottest June of this century, with daytime highs over 90 F (32 C) for four days running. The late June average for Britain is about 70 F (21 C).

For the first time, members of the Marylebone Cricket Club in London were permitted to remove their jackets, but not their ties.

Scotland Yard said felons apparently were sharing the general torpor. It had only one robbery to cope with yesterday but reported that the heat wave had brought on more than the usual number of family brawls and closing-time rows at pubs.

In West Berlin, traffic policemen have donned safari hats, and in Munich, postmen are delivering the mail clad only in T-shirts and short pants. At several assembly plants the workers are free to take cool showers at will.

Several employers have allowed employees to work shorter hours or receive overtime for sweating out the full day's labor.

U.K. Police Identify Suspect In £2-Million Currency Theft

LONDON, June 29 (UPI).—The police identified a 30-year-old Londoner as a prime suspect in the theft of various currencies estimated to be worth about £2 million from Heathrow Airport over the weekend.

Detectives named Stephen Raymond, a former employee of a security company. An insurance adjusting firm offered £25,000 (about \$225,000) for capture of the thieves and recovery of the currency.

The crime, carried out by at least two men using false uniforms and forged documents, was discovered yesterday, 48 hours after the thieves drove away with five packets of currency obtained from warehouses at the airport by pretending to be collecting them on behalf of Purulster Services, a security organization.

Uniform Disguises

The thieves, one dressed in a Purulster uniform, picked up three outward-bound packages of foreign currency from a British Airways warehouse on the pretext that they were being taken for repacking.

Then they called on another warehouse and collected two more packets with the same ruse. The theft was uncovered when genuine Purulster security guards

went to the warehouses to pick up the parcels.

Mr. Raymond started working for Purulster a month ago and came under suspicion when he failed to show up for work after the weekend. The police said the man had no leads on his alleged whereabouts and said it was possible both had already left the country to flee.

They said the money could have been shipped out, possibly smuggled aboard a private yacht or a small cargo vessel.

In disclosing Mr. Raymond's name—an unusual step for British police before formal charges are laid—detectives said they feared the underworld would be misled in the proceedings.

They said the airport has broken down as follows by package: • 430,000 Lebanese pounds, million and \$100,000. • 270,000 French francs and \$20,000. • 270,000 French francs and \$20,000. • 270,000 French francs and \$20,000. • 270,000 French francs and \$20,000. • 270,000 French francs and \$20,000.

Tehran Reports 10 Rebels Slain

TEHRAN, June 29 (AP). Security agents raided what it said was a leftist terrorist hideout near Tehran Airport early today and reported killing eight men and two women guerrillas in a four-hour battle.

The agents said they found Russian-made weapons and documents linking the guerrillas to Libya and international Communist organizations after a battle at an apartment building.

Authorities said one of the killed was Hamid Ashraf, who the government had been seeking since 1971 for alleged guerrilla activities. They said agents had been hurt.

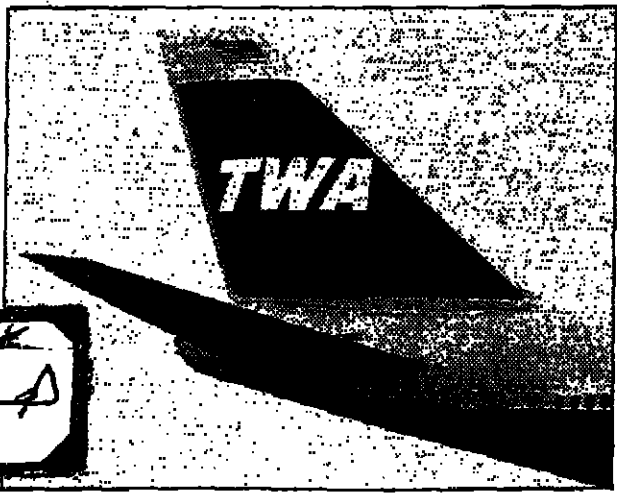
W. Germany Bars Bid By East for Fugitive

HAMM, West Germany, June 29 (Reuters).—The Hamm public prosecutor yesterday rejected renewed East German demands for the extradition of Werner Weinholt, accused by East Germany of killing two border guards when he escaped to the West last December.

The prosecutor, Wolfgang Geisel, said his decision was based on the fact that Mr. Weinholt, 26, would face "unjustifiable disadvantages" if he were sent for trial in East Germany.

TWA FROM PARIS: THE ONLY DAILY 747 TO CALIFORNIA.

Leaves at 11.40, arriving Los Angeles 16.10 and San Francisco 18.46. Call your travel agent, or TWA.



TWA carries more scheduled passengers across the Atlantic than any other airline.

TWA. No. 1 across the Atlantic.

2. Your mother worries. (A good reason to call home.)

An international call is the next best thing to being there.

Memorable view of Rome from Silver's Bar. Open daily from 1 p.m. to 11 p.m. Lunch 12-2 p.m. Dinner 7-11 p.m. Table reservations ask for "Eden 55". Closed on Sundays. EDEN HOTEL. 4 Via Ludovico (near Via Veneto).



## S. Justices Restrict Courts

## Desegregation of Schools

By Lesley Oelsner

WASHINGTON, June 29 (AP).—A Supreme Court ruling, 5 to 4, today said that even if school districts have not yet complied with all aspects of a court-ordered desegregation plan, they cannot require them to adjust their attendance each year in an effort to maintain the same racial mix in the schools, in the face of changing population patterns.

The court held that if school districts initially complied with a court-ordered plan to revise their attendance zones, and if they achieved a "racially balanced" system of assigning students to schools, the court has performed its function of providing the remedy for pre-racially discriminatory attendance patterns.

## Reviews

## Product Code

## Captives

WASHINGTON, June 29 (AP).—A Senate committee is reviewing a Military Code of Conduct for Vietnam war prisoners, divided over whether it should have latitude to let captors more than rank, service number and date.

The 21-year-old code was revived when 586 U.S. prisoners were released more than a year ago, is central to the mission of deciding the 21-year-old code.

A 10-member group has been several times a week to review the code to study the original code and to the views of former prisoners in the Vietnam war.

The committee, which includes former POWs, has heard opinions on exactly what the code requires of Americans who fall into enemy hands in the war.

Those are those and they include those who lived through North Vietnamese prison, still held to the Spartans that under no circumstances should you give more information than name, rank, number and date, a source familiar with the committee's proceedings.

Other freed POWs, some of whom have been decorated for bravery while in captivity, this week's testimony. "I am not sure I can answer his questions," said an officer who told of repeated tortures.

He may not tell him that he'll get you to answer, he said.

Important thing is that to the limit of your own ability, you give information that you give in.

POWs claim that the code, formulated after the Korean War, allows for this.

"Most of My Ability" support of their position, the wording of Article 5 of the code says, "I intend to give only name, rank, number and date of birth."

He phrase "to the utmost of my ability," he said, is the key one in that the Code of Conduct is not intended to be

Calif., school case, was written by Justice William Brennan. It defines a new limit on the scope of the courts' power to issue desegregation orders designed to achieve what is called a "unitary" school system, desegregating an illegal "dual" system segregating blacks from whites.

The majority contended that this limit was consistent with the court's earlier statement, in the 1971 "Swann" case, regarding limits on the courts' power once the "affirmative duty to desegregate" has been carried out by school officials. However, the two dissenters, Thurgood Marshall and William Brennan Jr., contended that yesterday's ruling "has unwarrantedly extended" the statement in the Swann case.

In the case—the ruling in which the Supreme Court held that busing is a constitutionally permissible means of remedying illegal segregation—the court said:

"It does not follow that communities served by [unitary] systems will remain demographically stable, for in a growing, mobile society, few will do so. Neither school authorities nor district courts are constitutionally required to make year-by-year adjustments of the racial composition of student bodies once the affirmative duty to desegregate has been accomplished and racial discrimination through official action is eliminated from the system."

The majority yesterday quoted this passage in full. It noted that "it may well be" that the Pasadena officials "have not yet totally achieved the unitary system" contemplated by the passage, in that there is dispute over whether the officials have complied with portions of the initial desegregation plan regarding procedures for hiring and promoting teachers and administrators. But, the majority said, "that does not undercut the force of the principle" underlying the passage in the Swann case.

## Korean War GI To Leave China For Visit to U.S.

WASHINGTON, June 29 (AP).—James Veneris, 54, a GI captured in the Korean war who chose to stay with the Communists, has been asked to return to the United States for a family visit, State Department officials said today.

He will be issued a passport, they said. It is the only document he will need because he still is a U.S. citizen, Mr. Veneris intends to return to China afterward, the department sources said. No date has been set for the visit.

Mr. Veneris and Howard Adams are the last two U.S. citizens remaining in China from 21 who defected to the Communists at the end of the war in 1953. The 19 others left China during the last 23 years.

The State Department said Mr. Veneris wants to visit his mother and three sisters, who at last report lived in California.

Pentagon officials said they have made no attempt to keep track of the 21 who refused repatriation. The 21 were dishonorably discharged from the Army, which later said that the discharge "terminated all military jurisdiction" over them. State Department sources indicated that Mr. Veneris will not be charged with any crime, and will be allowed to move freely around the country.

## Belgian Paper Appears

BRUSSELS, June 29 (Reuters).—De Standaard, Belgium's leading Flemish-language newspaper, appeared yesterday for the first time under full control of its new owners after a week of negotiations.



TOUCH OF GREATNESS—Blind children from Florida touch bust of Lincoln during visit to Washington.

## Gen. Brown Qualifies Views On 'Undue Influence' of Jews

By Spencer Rich

WASHINGTON, June 29 (WP).—Gen. George Brown, who was rebuked by President Ford in 1974 for saying Jews own the banks and the newspapers and have too much influence over Congress, told the Senate Armed Services Committee yesterday that he still believes Jews have "undue influence" over Congress.

Under later questioning by Sen. Sam Nunn, D-Ga., Gen. Brown backed away from the phrase "undue influence" and said he saw nothing "alarming, wrong or illegal" about Jewish lobbying efforts on behalf of Israel.

The statements were made as the Armed Services Committee considered whether to approve Gen. Brown for a second two-year term as chairman of the Joint Chiefs of Staff. After the hearing, it postponed action until Tuesday.

Gen. Brown's original remarks about Israel and the Jewish lobby occurred at a Duke University seminar on Oct. 10, 1974, when Gen. Brown, already chairman of the Joint Chiefs, responded to a question. He suggested that Israel had too much influence on Congress and said Jews "own, you know, the banks in this country; the newspapers."

When word of his remarks leaked out, he was rebuked by the President and James Schlesinger, then secretary of defense, but stayed in his post and apologized and now has been nominated to another term.

Wrong and inappropriate. Asked about the incident yesterday by Sen. Robert Taft Jr., R-Ohio, Gen. Brown said that in his 1974 remarks he had said three things, two of which were wrong and one of which was inappropriate. "The things that were wrong, it was indicated, were the assertions that Jews owned the banks and newspapers."

Sen. Taft then asked Gen. Brown what the third item was, the one that was inappropriate. Gen. Brown said it had been that "I felt that the Jewish community in the U.S. had an undue influence on the Congress of the U.S."

Sen. Taft asked, "Do you still feel that is true?" Brown responded, "In all candor I do. But I feel it is not unusual. There are other special interest groups that have influence or seek to achieve influence on the Congress of the U.S."

Under questioning by Rep. Nunn,



Gen. George Brown

Gen. Brown backed sharply away from what had appeared to be his earlier answer to Sen. Taft, saying he supported the survival of the state of Israel and repudiating the phrase "undue influence."

Sen. Nunn asked: "Do you believe the American Jewish people have undue influence with Congress?"

"I felt the influence of Jewish people was only one of many lobbying activities," Gen. Brown said.

Sen. Nunn repeated his question and Gen. Brown responded, "The senator is better able to answer it than I." Then he said, "I would say that I think that Jewish influence in the interest of Israel... is absolutely proportional to the effort they put in... they work hard at it... I have never implied anything sinister, wrong or illegal."

Sen. Nunn asked whether Jewish lobbying efforts went beyond their constitutional rights, and Gen. Brown responded, "No... I don't imply there's anything improper." Pressed further he said: "I don't think there's undue influence."

## After Hiding in Pyrenees Financier Goes to U.S. to Face Probe

By Donnell Nunes

WASHINGTON, June 29 (WP).—For three weeks this spring, while angry creditors combed Europe for him, according to the story that Bruce Parkyn Jackson told, he hid in a tent high in the snowy Pyrenees mountains, staking wild pigs, wearing a fading business suit and eating dandelion greens.

Barely 10 months before, Mr. Jackson had been on top of the business world, with a growing international loan business, a Rolls Royce, and a yacht on a French canal. To keep up with everything, he traveled several times a month between London and New York.

Then, in a single week last July, Mr. Jackson's financial empire collapsed and Mr. Jackson disappeared. At least two U.S. companies that did business with Mr. Jackson have gone into bankruptcy and as much as \$15 million is missing, Mr. Jackson and business associates said.

In a series of interviews with The Washington Post last week, Mr. Jackson said that he decided to return to the United States to cooperate with federal prosecutors and to assist some of the businesses that lost money after dealing with him. He said that he wanted to help these businesses recover some of their funds.

Nothing illegal. Mr. Jackson insisted that he has none of the money believed to be lost in the tangle of his financial dealings. "What I did may be immoral and wrong, but I did nothing illegal," he said.

"The wild pig was terrible anyway," Mr. Jackson said of his European exile, "but the pigs (dandelion greens) were delicious with a little oil and vinegar." Because Mr. Jackson's financial empire is so complex and its dealings spread across two continents, a federal grand jury here has been taking testimony for almost a year and has not yet returned any indictments. Sources said that even if Mr. Jackson does cooperate fully, it may still be months before the case is resolved one way or another.

Witnesses have testified before the grand jury that Mr. Jackson's complex of European banks offered loans to failing U.S. businesses that were unable to obtain needed money from more conventional sources.

The loans were offered at interest rates averaging about 30 per cent, former business associates of Mr. Jackson have testified. He employed a business broker who specialized in placing loans with businesses, they testified, and it was the broker who would locate companies in dire need of cash.

Mr. Jackson, presenting copies of letters from banks in Spain and Luxembourg, told potential borrowers that his consortium of banks had millions of dollars to lend the companies, a source said. Mr. Jackson said in an interview that the letters attested to the fact that his banks had on deposit stock certificates to back up the loans.

He conceded, however, that much of that stock was worthless. He declined to discuss in the interview just how much money his banks actually had and where that money there was—if there was any at all—went.

The current investigation is not Mr. Jackson's first brush with the law. In 1974, he pleaded guilty in a Montgomery County, Maryland, court to taking money under false pretenses. Mr. Jackson was accused of selling land in Spain to almost two dozen Washington-area residents and then never turning over the title to the land to the purchasers. The court ordered Mr. Jackson to repay about \$35,000 to those he had sold the land to.

He said that he has managed to repay only a few thousand dollars to date. In England, Mr. Jackson purchased three companies with a limited down payment and then forced the companies to buy him a Rolls Royce and a yacht and to borrow to their credit limit so he could use the funds for other projects, he said.

Two of those companies, a travel company and an engineering firm, subsequently failed partly because their assets had been depleted, he said. The third company, a small motor firm, had to be turned over to an English bank by Mr. Jackson to settle business claims it had against him, he said.

Tall and blond, looking younger than his 35 years, Mr. Jackson is acknowledged by all who have dealt with him to be an accomplished salesman.

Got That Touch. "If you went into a room with 100 people you never met before looking for a business partner, you'd end up picking Jackson," said Leslie Williams, vice-president of MBPXL Corp., the nation's second largest meat processor. He said that MBPXL lost \$600,000 in a loan plan. "He's got that touch. You trust him. Lo of people did, didn't they?" Mr. Williams said.

Mr. Jackson described his loan business as being dependent on the lag time that is inherent in any check transaction. When a person who is given a check deposits it in his bank, he said, there usually is a lag time of several days before his account is credited with additional cash.

This lag time, Mr. Jackson said, is the time when the bank where the check is deposited must first transfer the check to the bank where the checking account is located before it actually receives cash in return.

Mr. Jackson described the lag time as a "float." He conceived of using the system in the late 1960s when, working as a financial consultant, he realized that the float between U.S. banks and European banks averaged several weeks, he said.

Mr. Jackson said that he used drafts rather than checks in his loan business because that increased the length of the lag time. A draft, he said, differs from a check in that checks are really viewed the same as cash by most banks, while a draft is essentially a promissory note—a promise to pay a certain amount on presentation of the draft to the person or company that issued it.

As a result, he said, the length of the float time increased to an average of about 30 days, sometimes longer.

son was accused of selling land in Spain to almost two dozen Washington-area residents and then never turning over the title to the land to the purchasers. The court ordered Mr. Jackson to repay about \$35,000 to those he had sold the land to.

He said that he has managed to repay only a few thousand dollars to date. In England, Mr. Jackson purchased three companies with a limited down payment and then forced the companies to buy him a Rolls Royce and a yacht and to borrow to their credit limit so he could use the funds for other projects, he said.

Two of those companies, a travel company and an engineering firm, subsequently failed partly because their assets had been depleted, he said. The third company, a small motor firm, had to be turned over to an English bank by Mr. Jackson to settle business claims it had against him, he said.

Tall and blond, looking younger than his 35 years, Mr. Jackson is acknowledged by all who have dealt with him to be an accomplished salesman.

Got That Touch. "If you went into a room with 100 people you never met before looking for a business partner, you'd end up picking Jackson," said Leslie Williams, vice-president of MBPXL Corp., the nation's second largest meat processor. He said that MBPXL lost \$600,000 in a loan plan. "He's got that touch. You trust him. Lo of people did, didn't they?" Mr. Williams said.

Mr. Jackson described his loan business as being dependent on the lag time that is inherent in any check transaction. When a person who is given a check deposits it in his bank, he said, there usually is a lag time of several days before his account is credited with additional cash.

This lag time, Mr. Jackson said, is the time when the bank where the check is deposited must first transfer the check to the bank where the checking account is located before it actually receives cash in return.

Mr. Jackson described the lag time as a "float." He conceived of using the system in the late 1960s when, working as a financial consultant, he realized that the float between U.S. banks and European banks averaged several weeks, he said.

Mr. Jackson said that he used drafts rather than checks in his loan business because that increased the length of the lag time. A draft, he said, differs from a check in that checks are really viewed the same as cash by most banks, while a draft is essentially a promissory note—a promise to pay a certain amount on presentation of the draft to the person or company that issued it.

As a result, he said, the length of the float time increased to an average of about 30 days, sometimes longer.

Mr. Jackson set up several European banks, one called Eurobank and another called Intercontinental, which he controlled. Then these banks offered extremely high interest (as much as 30 per cent) on loans for one month to companies in the United States.

When the loan agreements were signed, the borrowers were required to pay the interest on their month-long loans in advance. A week later they would pay one-quarter of the balance, and one-quarter more each week until the loan was repaid.

Federal authorities are investigating the possibility that Mr. Jackson's banks never had any cash at all, but instead re-

ad solely on the float to enable them to collect the loan repayments before the drafts were presented for payment. That, according to a highly placed source, closely resembles check kiting, a federal crime, in which valueless checks are written on nonexistent funds.

Indeed, Mr. Jackson conceded in an interview that when a borrower demanded that certain creditors be paid immediately in cash, Mr. Jackson's loan business collapsed abruptly.

That occurred in June of last year when drafts issued to MBPXL to pay for meat shipped to Westland Meats Co., of Miami, were returned to MBPXL unpaid by Eurobank accounts because, Mr. Jackson said, Westland already had demanded days before that some of its loan repayment cash be diverted immediately to repay certain other of Westland's loans first.

When the MBPXL drafts were presented, he said, there was no cash to pay them.

Warren Moore, general manager of Westland Meats, which collapsed after the failure of the loans and then was re-created by Mr. Moore and a brother earlier this year, denied making such a demand.

New Call for Funds. PARIS, June 29 (IHT).—Following his financial collapse, Mr. Jackson is believed to have made yet another attempt to raise funds last October through two classified advertisements placed in the International Herald Tribune.

On Oct. 13, 1975, a man calling himself Michael Nelson, who was later identified as Mr. Jackson, placed an ad appealing to "Talented Adventurers" to help raise \$4 million for the "starving nations" in 1976.

The advertisement said in part: "We require the services of a few intelligent, versatile people whose training and background equip them to deal at a high level with businessmen, bankers and government officials in the industrialized countries. We are a small, nameless group who seek to gain control of companies for the purpose of liquidating assets and exploiting credit facilities to contribute to charities that provide food, shelter and basic technology to the starving countries."

"Since 1968, we have become involved with companies that have wittingly or otherwise thus contributed more than \$2,000,000. We are secret, neither politically oriented nor preferring to work outside the law..."

That ad attracted about 135



Bruce Parkyn Jackson

replies. A second ad, which appeared directly for funds, was placed by "Mr. Nelson" on Oct. 24, 1975. Also headed "Talented Adventurers," it expressed appreciation for the large response to the first ad and promised replies soon.

"Everyone who is not able to join our small team, we invite to serve with us in spirit," it concluded, giving account numbers at banks in Washington and Oxford, England. It could not be determined how much money, if any, was raised through that solicitation.

IHT classified ads were also used to contact Mr. Jackson, according to a U.S. private investigator who asserted that he later helped to persuade Mr. Jackson to return to the United States.

FROM ANTWERP BELGIUM

the **DIAMOND INVESTMENT** for you

Now you have the opportunity to buy quality diamonds for investment, gifts or personal use at better than wholesale prices from the leading first source diamond firm at the diamond center of the world.

Write for full information or visit us without obligation

**INTERNATIONAL DIAMOND SALES**  
diamond bourse,  
51, haveniersstraat  
antwerp - belgium  
tel: 31.93.05

ALL DIAMONDS GUARANTEED BY CERTIFICATE

**7 and 14 day cruises with:**

**T.S.C.S. NAVARINO** (ex GRIPSHOLM) 23,000 GR. TON.

out of Venice to the Greek Islands-Piraeus-Istanbul and Dubrovnik

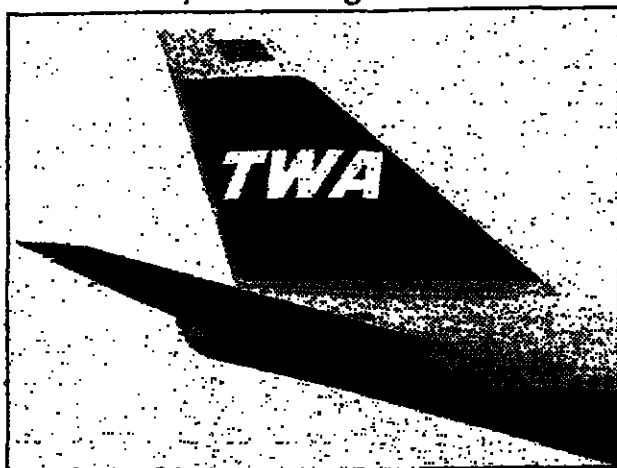
\* 7 day-cruise from USD. 800.  
\* 7 day-cruise and 7 day full board hotel accommodation from USD. 360.  
\* 14 day-cruise from USD. 600.

Book through your travel agency and

**KARAGEORGIS LINES**  
And Kostas and Eleni 2 PIRAEUS TEL: 4173001/5  
41104615 TX: 212674-212678

## TWA FROM LONDON: FOUR TIMES A DAY TO NEW YORK.

A 707 leaves London at 10.35, arrives 13.25.  
A 747 at 12.00, arrives 14.35. A 707 at 13.20 arrives 16.10.  
And a 707 at 17.00, arrives 19.50.  
Call your travel agent or TWA.



TWA carries more scheduled passengers across the Atlantic than any other airline.

**TWA. N91 across the Atlantic.**

**Come for the filter. You'll stay for the taste.**

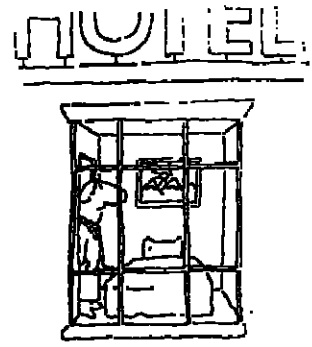


Great tobaccos smoothed by the white micronite filter for the world's most satisfying taste.  
Kent: America's quality cigarette.



If you've ever booked a hotel and ended up with just a room...

...its time you stayed with us. Every Holiday Inn room comes attached to a whole string of free extras: a double bed per person, free TV, private bathroom, swimming pool, free parking, saunas and sports facilities in many locations, transportation to and from Inns near airports... plus a lot of other features you might not expect from such a reasonably priced first-class hotel.



There are over 1700 Holiday Inns in the world and over 50 in Europe: Austria, Belgium (5 hotels), France (7), Gibraltar, Italy (3), Luxembourg, Monaco.

Netherlands (3), Poland, Spain, Sweden, Switzerland (2), U.K. (11), West Germany (14).

For best reservations, please your travel agent, your local Holiday Inn hotel or one of these numbers: Brussels, Tel.: 725.00.77 - Edinburgh, Tel.: 44.42.33 - Frankfurt, Tel.: 295-065

Holiday Inn

## Obituaries

### Prince Radziwill, 62, Married Mrs. Onassis' Younger Sister

LONDON, June 29 (AP).—Stanislas Radziwill, 62, a former brother-in-law of Jacqueline Kennedy Onassis who was born a Polish prince, died Sunday of a heart attack while visiting friends in Essex, northeast of London.

The last of Prince Radziwill's three wives was Lee Bouvier, Mrs. Onassis' younger sister, whom he divorced in 1974. The couple was married in 1959 and had a son and daughter. The late President John Kennedy was godfather to the daughter, Anna Christina, born during his 1960 presidential campaign.

Lee Radziwill, who lives in New York, flew to London after her daughter's death.

Prince Radziwill, who served with Polish forces fighting Ger-

many during World War II, came to Britain after the war when the Communists took power in Poland. He became a British citizen and earned a living in real estate and other business dealings.

#### Sir Stanley Baker

MALAGA, Spain, June 29 (AP).—Sir Stanley Baker, 48, British film actor and producer, died yesterday of a heart ailment complicated by respiratory problems, his doctors said.

Sir Stanley, who was living in Marbella, filmed his last movie in Spain a year ago. He underwent an operation in February to remove a cancerous tumor of the lung. Shortly after the operation, he was made a knight on Prime Minister Harold Wilson's resignation honors list.

Sir Stanley was born in Rhonda, Wales, in 1928. He was 14 when he made his first film appearance in "Undercover."

From 1946 to 1948 he served in the British Army. After his return to civilian life, he starred in "The Cruel Sea," "The Guns of Navarone," "Prize of Arms," "Accident," "The Changing," "Zulu" and "Robbery." He also coproduced the last two.

A spokesman said the body would be taken to London for burial.

#### Robert James Pitts

COLUMBIA, S.C., June 29 (AP).—Robert James Pitts, 62, known as the "man without fingerprints," during a criminal career that spanned 40 years, has died in prison.

Officials at the South Carolina Central Correctional Institution said yesterday that Pitts died Saturday of an apparent heart attack.

The North Carolinian had his fingerprints removed by a New Jersey surgeon in the 1930s. He had gotten the idea from a fellow inmate at Alcatraz where he was serving time for auto theft.

Pitts decided to have the operation because he had earned that reputation as a bungler who often forgot to blot out the clues.

The operation, described as lengthy and painful, involved having skin from his fingers removed. Then, his fingers were pressed to his chest for three months until skin from the chest with no prints grew on his fingertips.

At the time of his death, Pitts was serving a life sentence for the murder of a York, S.C., businessman in a 1969 robbery.

#### Mike Roy

LOS ANGELES, June 29 (AP).—Mike Roy, 63, host of local and national radio cooking shows, cookbook author and former network announcer, died late Saturday of an apparent heart attack. The radio chef had performed



Prince Radziwill



Stanley Baker

his light-hearted hourlong show at radio station KNX for 10 years. His five-minute program, "Mike Roy's Cooking Thing," was aired six times a week over the CBS radio network. He wrote more than a dozen books.

His co-host Dennis Bracken said that Mr. Roy did not have a particular specialty. "He liked everything to eat and to drink."

Mr. Roy once described his partner as "strictly a meat and potatoes man," claiming that Mr. Bracken's favorite food was unadorned bologna sandwiches.

Mr. Roy was the announcer for several radio programs in the 1940s, including "Duffy's Tavern" and "Abbott and Costello." Later, he was host on the nation's first televised cooking show, "Secrets of a Gourmet."

#### Sol G. Levy

SEATTLE, June 29 (AP).—Sol G. Levy, 68, who founded the first two Cub Scout packs in the United States in 1929, died Sunday.

### Ex-Leader's Wife Jailed in Greece

ATHENS, June 29 (Reuters).—Mrs. Despina Papadopoulos, wife of former dictator George Papadopoulos, was sentenced yesterday to 25 months in jail on charges of fraud against the state.

Mrs. Papadopoulos, 43, was found guilty of receiving about 800,000 drachmas (\$19,400) from the Greek Central Intelligence Service between 1967 and 1973 without working for the service. She had worked for the agency until 1967, when she met Papadopoulos, who masterminded the coup which resulted in seven years of military dictatorship.

According to the prosecution, she continued to receive her salary after her marriage to Papadopoulos.

Meanwhile, Papadopoulos and 17 other leaders of the coup were demoted to the rank of private by presidential decree last week.

The decree is retroactive to Jan. 23 when the Supreme Court confirmed sentences on the 18 men, whose ranks ranged from lieutenant-colonel to general. Papadopoulos, a brigadier, and his two deputy premiers, Maj. Gen. Stylianos Pattakos and Brig. Nicholas Makarezos, were sentenced to death on charges of high treason and sedition. The government commuted this sentence to life imprisonment.

### Norway Will Protest Soviet Rocket Tests

OSLO, June 29 (Reuters).—Norway will protest to the Soviet Union over planned Soviet testing of rockets into the Barents Sea next month and in August, a Foreign Ministry spokesman said yesterday.

The protest will express Norway's concern at the recent Soviet announcement that "an area for Norwegian shipping and traffic is being used as a rocket test zone," the spokesman said.

Why rent just any car when you can rent a Europcar?



## Job Outlook Up in U.S. for Graduates

### Hiring Rises 15% At Bachelor's Level

By Seth S. King

CHICAGO, June 29 (NYT).—Graduating seniors from the class of 1976 are having an easier time this year finding the jobs they want.

A Northwestern University survey this spring of more than 200 of the country's largest companies indicated that the companies have hired or intend to hire 15 per cent more bachelor's level graduates this summer than last summer.

These companies said they intended to hire 18 per cent more holders of master's degrees than last year.

In reporting these findings, Dr. Frank Endicott, Northwestern's emeritus director of placement, said he believed the hiring plans of most smaller companies would increase at about these same rates.

#### Clearly a Change

"There is clearly a turn-around in hiring this summer," he said. "Last year, these same companies were cutting back and most of them did not expect much improvement this spring."

At the University of Illinois in Champaign, this year's seniors reported the highest level of confirmed employment since 1971.

Edward Weidenfeller, the University of Wisconsin-Madison's director of placement, said the university's 1976 graduates were more sought after by more companies offering higher salaries than in any year since 1969.

While job prospects for 1976 graduates are still not so joyful as they were in the late 1960s, they are definitely better for most seniors than they have been for the last two years.

The rate of hiring from Middle Western colleges and universities has usually been the same as at the larger schools in other parts of the country, although this year the number of seniors from this area finding jobs has been higher than the averages reported this spring for the country as a whole in the College Placement Council Survey.

Starting salaries for this year's graduates were found to be 4 to 5 per cent higher than last year's. However, Dr. Endicott noted that this increase was not great enough to match the rise in the cost of living.

The hiring of law school graduates by the country's larger law firms has also greatly increased over last year, according to Thomas Edmunds, associate dean of the Northwestern School of Law.

## N.Y. Wind Rips 'Biggest' Flag In Test Hoist

NEW YORK, June 29 (AP).—It was said to be the biggest American flag ever. It was 193 feet wide and 366 feet long—about the size of a soccer field—contained 3,000 pounds of nylon and cost \$75,000 to make.

Designed to billow across the cables of New York's Verrazano Bridge while a host of tall ships and warships moved up the harbor for the Bicentennial celebration this weekend, the banner failed to survive its trial run.

The flag was hoisted experimentally yesterday morning and fluttered for two hours. Then, a 10-mile-an-hour southerly wind came along and tore the flag almost in half bit by bit.

## 3 More Exiled In Bolivia 'Plot'

LA PAZ, June 29 (AP).—Three more persons accused of conspiring against the government have been exiled, bringing to 28 the number expelled from Bolivia since a miners' strike began almost three weeks ago.

Those expelled on Sunday included former Labor Minister Cirilo Humboldt and Julio Cecilio Trigo Owen, the son of the current transportation minister, Julio Trigo.

The government claims that the strike is being broken and that 50 per cent of the 50,000 miners who went on strike have returned to work.

## French Tobacco Hike

PARIS, June 29 (Reuters).—French tobacco prices will rise by an average of 16 per cent Thursday, it was announced today.

## U.S. Focuses Civil-Defense Plans Not on A-Attack but on Survivors

WASHINGTON, June 29 (AP).—The United States has virtually abandoned the concept of protecting life and property in any nuclear attack, an official of the General Accounting Office said yesterday.

Civil-defense planners now concentrate on post-attack survival and plans vary widely from state to state, a GAO official testified before the congressional Joint Committee on Defense Production.

Fred Shafer, the GAO's director of logistics and communications, recommended the establishment of national priorities.

He said that the current planning of the Pentagon's Defense Civil Preparedness Agency calls for evacuating people from high-risk areas to low-risk "host" areas if there is a warning period of two or three days before attack.

"Most of the nation's shelters are in urban areas," Mr. Shafer reported. "Therefore, many host areas do not have enough shelter space for their own populations, much less the urban evacuees."

The Pentagon agency plans to solve this problem, he said, by having evacuees pile soil on top of existing buildings to increase fallout protection. If an attack occurs without a "crisis" warning period, people will be told to go to the nearest shelters, Mr. Shafer said.

As of June 30 last year, he said, only 24 per cent of the nation's communities had completed shelter-marking plans and only 12 per cent had completed food-stocking plans.

"Plans for stocking shelters in a crisis generally call for people to bring their own food or state that arrangements have been made with grocery stores to use their stocks," Mr. Shafer said.

## Trend Began With Boom in 1968 Brazil Executive Wages Soar While Labor's Pay Decreases

By Jonathan Kandell

RIO DE JANEIRO, June 29 (NYT).—At a recent dinner party, two businessmen, one from a chemical company and the other from an engineering consulting firm, traded stories about the high salaries that young executives command in Brazil now.

"The gals of some of these kids," said the chemical executive, who then recounted how one young man had applied to his company.

The applicant, a recent graduate of a leading U.S. business school, had suggested to his prospective employers that they pay him \$25,000 a year as a starting salary, based on his own survey of the job market.

He said the fact that he had missed a few years of work in Brazil by attending the U.S. university.

The engineering consultant said he remembered the case. He also had tried to hire the young man, but lost out when a bank made a higher bid for his inexperienced services.

Among World's Highest According to surveys published by various management-consultant firms, executive and professional salaries in Brazil are among the highest in the world.

During the country's headlong dash to development—especially during the period of 10-per-cent annual economic growth from 1968 to 1974—the demand for

white-collar employees has risen so fast that most Brazilian executives receive higher incomes than their U.S. counterparts in similar categories and pay about a third less in personal income taxes.

According to government statistics, wages for unskilled workers, after taking inflation into account, have fallen almost 40 per cent since the rightist military government took power 13 years ago. The gross national product rose more than 150 per cent in the period.

With this growth have come a substantial expansion of the job market, new factories, farms, roads and mining and hydroelectric projects that have made the Brazilian economy one of the world's most dynamic.

But there has been a radical distribution of income in favor of wealthier economic sectors for whom the so-called Brazilian miracle has been a reality.

#### Divergent Paths

Government statistics show that, while unskilled labor salaries were declining from 1968 to 1974, skilled workers were receiving a 2.5-per-cent increase in real wages a year, with executive salaries up 8.1 per cent annually.

Some economic analysts maintain that the gap between incomes is essential to the success of the Brazilian economic model. In the highest-income brackets, the concentration of capital is supposed to encourage investment. In the middle-income brackets, accumulation of more wealth is supposed to spur demand for durable goods such as television sets and automobiles.

And by keeping labor wages low, there is supposed to be an increase in productivity and profits that can be reinvested for further growth.

Recently, the government of President Ernesto Geisel has tried to increase the real income of unskilled workers. But now that the miracle years of high economic growth have ended and inflation has re-emerged as a troublesome problem, there are growing doubts that working-class salaries will rise in real terms.

#### Supply and Demand

These economic uncertainties have not affected the situation of professionals and executives. And while wages continue to be controlled by government fiat, the salaries of executives continue to rise because the demand for their services far outpaces their number.

The shortage of executives and professionals has its roots in the economic boom that followed the 1964 military take-over, creating a rising need for technocrats—economists, administrators, accountants and other professionals. The lag continued to develop after the arrival of multinational companies—almost \$10 billion in foreign investment. The government requires that two-thirds of all company employees be Brazilians.

Co-Chairman of GOP Speaks in Paris Today

PARIS, June 29 (NYT).—Robert Carter, co-chairman of the Republican National Committee, will be the main speaker tomorrow at a meeting of the European Republican Committee at the Cercle Interallié, 33 Rue du Faubourg Saint-Honoré. Mr. Carter also will address a luncheon meeting of the American Club.

The meeting of the European committee is the first of the year and brings together national chairmen from around Europe. The committee's purpose is to inform voters of issues in the presidential campaign, to explain what the Republican National Committee is planning for the race and to assist in voter registration.

#### DEATH NOTICE

Col. Clair G. Irish died at his home in Paris of cardiac arrest on June 29. Commander of the Legion of Honor. Burial in France.

Funeral services will be held at the American Cathedral in Paris on Wednesday, June 30, at 10:30 a.m.

## BE A NEW SUBSCRIBER and save up to 47%

of the newsstand price (Depending on your country of residence)

Take advantage of the International Herald Tribune's 25% introductory discount on the regular subscription rates. That's a big saving. But remember that the newsstand prices are always higher than the subscription rates. When you compare the reduced subscription rates with what you have been paying at the newsstand, you find that your saving is a lot more—you can save up to 47% of the newsstand price. In the Herald Tribune you'll find unsurpassed international news coverage and respected and influential columns including James Reston, G.I. Subberger, Anthony Lewis, Wil-



Iam Buckley, Art Buchwald, Russell Baker, Red Smith and Brian Glavin. In addition, you'll find special reports from the principal cities of Europe including Claire Sterling from Rome, John Dornberg from West Germany and Peter Lennon from London. You'll also find excellent important coverage of international business and economic news. And complete, daily Wall Street stock tables. Complete the coupon below and mail it to us with your check or money order today. As the world gets smaller, everyone needs a newspaper with a bigger point of view.

These are the special rates after deduction of the introductory discount.

	12 mos.	6 mos.	3 mos.		12 mos.	6 mos.	3 mos.		12 mos.	6 mos.	3 mos.
Abu Dhabi (air) . . .	228.00	114.00	62.00	Greece (air) . . . Dr.	2,712.00	1,356.00	622.00	New Zealand (air) . . .	222.00	144.00	81.00
Aden (air) . . .	228.00	114.00	62.00	Hong Kong (air) . . .	2,712.00	1,356.00	622.00	Norway (air) . . . N.K.R.	222.00	288.00	144.00
Algeria (air) . . .	228.00	114.00	62.00	Hungary (air) . . .	2,712.00	1,356.00	622.00	Philippines (air) . . .	222.00	144.00	81.00
Africa, French speak.				India (air) . . .	228.00	114.00	62.00	Poland (air) . . .	222.00	134.20	75.00
Algeria (air) . . .	145.00	72.50	40.50	Indonesia (air) . . .	228.00	114.00	62.00	Portugal (air) . . .	222.00	134.20	75.00
Africa, other (air) . . .	228.00	114.00	62.00	Iran (air) . . .	228.00	114.00	62.00	Romania (air) . . .	222.00	134.20	75.00
Algeria (sea) . . .	154.00	62.00	34.50	Iraq (air) . . .	171.00	85.50	47.00	Saudi Arabia (air) . . .	222.00	134.20	75.00
Australia (air) . . .	228.00	114.00	62.00	Israel (air) . . .	171.00	85.50	47.00	Senegal (air) . . .	222.00	134.20	75.00
Australia (sea) . . .	154.00	62.00	34.50	Italy (air) . . .	171.00	85.50	47.00	Sierra Leone (air) . . .	222.00	134.20	75.00
Austria (air) . . .	228.00	114.00	62.00	Japan (air) . . .	228.00	114.00	62.00	Spain (air) . . .	222.00	134.20	75.00
Austria (sea) . . .	154.00	62.00	34.50	Kenya (air) . . .	228.00	114.00	62.00	Switzerland (air) . . .	222.00	134.20	75.00
Belgium (air) . . .	228.00	114.00	62.00	Libya (air) . . .	228.00	114.00	62.00	Taiwan (air) . . .	222.00	134.20	75.00
Belgium (sea) . . .	154.00	62.00	34.50	Luxembourg (air) . . .	228.00	114.00	62.00	Tanzania (air) . . .	222.00	134.20	75.00
Bombay (air) . . .	228.00	114.00	62.00	Malaysia (air) . . .	228.00	114.00	62.00	Thailand (air) . . .	222.00	134.20	75.00
Bombay (sea) . . .	154.00	62.00	34.50	Malta (air) . . .	228.00	114.00	62.00	Turkey (air) . . .	222.00	134.20	75.00
Canada (air) . . .	228.00	114.00	62.00	Mexico (air) . . .	228.00	114.00	62.00	U.S.A. (air) . . .	222.00	134.20	75.00
Canada (sea) . . .	154.00	62.00	34.50	Morocco (air) . . .	228.00	114.00	62.00	U.S.A. (sea) . . .	222.00	134.20	75.00
China (air) . . .	228.00	114.00	62.00	Nepal (air) . . .	228.00	114.00	62.00	U.S.S.R. (air) . . .	222.00	134.20	75.00
China (sea) . . .	154.00	62.00	34.50	Netherlands (air) . . .	228.00	114.00	62.00	Vietnam (air) . . .	222.00	134.20	75.00
Cyprus (air) . . .	228.00	114.00	62.00	Norway (air) . . .	228.00	114.00	62.00	Yugoslavia (air) . . .	222.00	134.20	75.00
Cyprus (sea) . . .	154.00	62.00	34.50	Philippines (air) . . .	228.00	114.00	62.00				
Czechoslovakia (air) . . .	228.00	114.00	62.00	Poland (air) . . .	228.00	114.00	62.00				
Czechoslovakia (sea) . . .	154.00	62.00	34.50	Portugal (air) . . .	228.00	114.00	62.00				
Danish (air) . . .	228.00	114.00	62.00	Romania (air) . . .	228.00	114.00	62.00				
Danish (sea) . . .	154.00	62.00	34.50	Saudi Arabia (air) . . .	228.00	114.00	62.00				
Denmark (air) . . .	228.00	114.00	62.00	Senegal (air) . . .	228.00	114.00	62.00				
Denmark (sea) . . .	154.00	62.00	34.50	Sierra Leone (air) . . .	228.00	114.00	62.00				
Finland (air) . . .	228.00	114.00	62.00	Spain (air) . . .	228.00	114.00	62.00				
Finland (sea) . . .	154.00	62.00	34.50	Switzerland (air) . . .	228.00	114.00	62.00				
France (air) . . .	228.00	114.00	62.00	Taiwan (air) . . .	228.00	114.00	62.00				
France (sea) . . .	154.00	62.00	34.50	Tanzania (air) . . .	228.00	114.00	62.00				
Germany (air) . . .	228.00	114.00	62.00	Thailand (air) . . .	228.00	114.00	62.00				
Germany (sea) . . .	154.00	62.00	34.50	Turkey (air) . . .	228.00	114.00	62.00				
Greece (air) . . .	228.00	114.00	62.00	U.S.A. (air) . . .	228.00	114.00	62.00				
Great Britain (air) . . .	228.00	114.00	62.00	U.S.A. (sea) . . .	228.00	114.00	62.00				
Great Britain (sea) . . .	154.00	62.00	34.50	U.S.S.R. (air) . . .	228.00	114.00	62.00				
				Vietnam (air) . . .	228.00	114.00	62.00				
				Yugoslavia (air) . . .	228.00	114.00	62.00				



Go in Comfort, Some in Agony

## Smuggling Aliens Into the U.S. Complex, Profitable Work

JOANA, Mexico, June 29 — "El Tejano," the Texan, goes South Americans into United States. His chief petters are "El Venado," the and "El Gusano," the worm. "I prefer their colorful nicknames to what their customers call them—'coyotes'." This border is full of them, weekenders and million-dollar stations that funnel more aliens through California anywhere else along the border.

There are more coyotes smuggling illegal aliens into the States than ever before. According to the U.S. Immigration and Naturalization Service, estimated 8.2 million illegal now live in the United States and the number is growing at the rate of 250,000 a year, most coming from Mexico. Of the newcomers are collar workers or have better skills and can afford the cost of a coyote like "El Tejano," U.S. immigration authorities say.

U.S. citizens are involved smuggling, according to the Immigration Service, but the great majority are foreigners. One Sign of Wealth. Texan is a short, non-Mexican, usually dressed in business suit, whose only wealth is a flashy car, specializes in smuggling citizens of Guatemala and El Salvador because "there is no money to go to Los Angeles, which is easy and very cheap. The aliens want to go to New Mexico to work."

Texan charges whatever fee will bear, anywhere from \$1,000 to \$3,000, depending on the alien's nationality. He adds "tours to California" in American newspapers and most of his business outside U.S. Embassy in El Salvador.

A disappointed emigrant from the embassy gates, their visa applications have turned down, the Texan's office is waiting. "It's easier that way," the explained. "People who the embassy usually have or relatives already in the States, which means visas for me. If they pay, the relatives will get them. My men simply at the destination."

He has 200 agents, working within the United States as legal residents, as U.S. representatives of smugglers, U.S. immigration said. Texan calls his customers chickens. He brings to Mexico by the busload, at a time, with valid visas, and puts them up by Tijuana hotels while visas are made for the stage of their journey.

Texan has no class. He takes the crudeness of the Texan's crude make their aliens across the brush-covered and fences that separate from California. But he those goats have no class. "Texans travel in comfort," he is issued Mexican boarding cards, which permit them to the United States. The Texan has those cards, many of them stolen, legitimate ones, counterfeit. He takes the sophistication of his a, closely matching age dresses of the people card and the people on them. Women are to a hairdresser so their will match those in the up on the card. across the border, the il-

## Guay Police Embassy. a Woman

REVIDE, June 29 (AP). — A security police embassy security police embassy. A best a consul and car a woman who had asked um, the Venezuelan ambassador said.

was no immediate comm in the Uruguayan govern- the incident. uelien sovereignty has grantly violated," Ambes- illo Ramos said. ambassador said he had "energetic" protest with Minister Juan Carlos

## th Toll Rises 5 in Sweden

REHOLM, June 29 (UPI). — Teams today recovered bodies from the of a commuter rail bus sided with a freight train on Sweden yesterday. said this brought the ill to 15, including three All the victims of the were Swedes.

legal entrants are taken to "drop houses" in Los Angeles. There they exchange their border cards for a new identity, either a counterfeit registration card which offers resident alien status or the complete works of a U.S. citizen: birth certificate, driver's license, Social Security card and voter's registration.

From the drop houses, the Texan's chickens are chaperoned by guides to the destination of their choice, often being flown on commercial airliners to New York, New Jersey, Chicago or Detroit. Some get caught along the way.

A spot check in Chicago recently uncovered 75 illegal aliens from several South American countries on a single flight from Los Angeles. He Never Crosses. The Texan himself never crosses the border so he doesn't have to worry about "La Migra," the U.S. Border Patrol. He is more concerned about competition from the Deer and the Worm.

They have been circulating stories that the Texan maltrates his chickens, hiding them in unsanitary drop houses and beating them up if they fail to pay his rates. "Senor, how could I do that?" the Texan spreads his hands. "I am honorable businessman."

Last year, immigration agents apprehended 8,000 smugglers transporting in excess of 80,000 illegal aliens. Most of them were caught along the Mexican border, and the majority were low-grade "mules," simple drivers and other underlings employed by the big-time coyotes. Comparative figures from previous years don't exist because the immigration service only recently began gathering detailed statistics on illegal aliens.

Profits are high in the people-smuggling trade. The ringleader of a California group of women smugglers quickly put up \$175,000 bail when she was arrested. She then skipped town, forfeiting the bond, before her case came up in court.

## Britain Demands Payment, Blocks Sub for Chile

LONDON, June 29 (Reuters). — Britain has decided to hold up delivery of a submarine being built for Chile in Scotland until the Santiago government pays its arrears and maintains regular payments on the contracts, British officials said yesterday. The submarine, the Hyatt, is the second being built by Britain for Chile and is due to be completed in a year. The first submarine, O'Brien, sailed from Portsmouth for Chile last week.

The cost of the two submarines totals about \$20 million (\$34 million) with payments due to be completed by 1980. During last year, Chile's debt to Britain amounted to about \$2.5 million, but only about \$2.5 million of this has been paid, the official said.

The British government has expressed strong disapproval of some of the actions of the military-backed Chilean government, especially in the field of human rights.

## Unsteady Teachers

TOKYO, June 29 (Reuters). — A rash of traffic accidents has prompted the education board of Yamaguchi Prefecture in central Japan to send a circular to 8,000 teachers urging them not to drive while drunk.



IN OLD SAN FRANCISCO—The City on the Bay is celebrating its own Bicentennial, tracing its origin to the arrival in 1776 of settlers and Spanish soldiers from Mexico to establish a mission and a fort in the name of Spain. The event was re-enacted in park

## Delay by Angola Seen in Deciding Fate of 4 Condemned Mercenaries

LIJANDA, June 29 (UPI). — President Agostinho Neto reportedly decided today against making an immediate decision on whether to confirm or commute the death sentences levied against four mercenaries by an Angolan people's court.

An Angolan source said the President told him that he wanted to weigh internal and international reaction to the court's verdict before arriving at his own judgment.

This appeared to preclude any final decision being made on the three Britons and one American until Mr. Neto, who departs Friday, returns from an Organization of African Unity meeting in Mauritania.

The U.S. and British defense attorneys for the 13 mercenaries, whose sentences ranged from 18 years to death by firing squad, sought a meeting with the President to appeal for mercy.

## Rhodesian Loss On Migration of Whites Goes On

SALISBURY, Rhodesia, June 29 (AP). — White settlers are continuing to leave Rhodesia in far greater numbers than the total of immigrants arriving to take their place, according to statistics released here yesterday.

In the first five months of this year, Rhodesia had an overall loss of 1,320 whites, compared to a net gain of 1,250 during the same period last year, the figures showed.

In May, 1,386 whites left the country while 720 immigrants arrived. However, the overall loss of 666 whites was considerably below the April figure of 820, the highest recorded since the nation broke away from Britain in 1965.

Rhodesian forces are facing increasing attacks by black nationalist guerrillas.

## Long-Range Call Brings Local Aid

BASINGSTOKE, England, June 29 (UPI). — Policemen and ambulance workers here have rescued a woman from a drug overdose after her son alerted them by telephone from 12,000 miles away in Australia.

The man was talking to his mother when she told him she had taken an overdose. While he kept up the conversation, he used another phone to dial the number reserved in Britain for emergency calls.

"I thought at first it must be a joke when he said he was calling from Australia," said ambulance driver James Matthews, "but naturally we treat all calls seriously."

## China Experts Disappoint U.S. Oil Firms

By Nicholas C. Chriss

HOUSTON, June 29.—Only a few years ago, the U.S. petroleum industry, ever seeking new oil fields to conquer, thought that China might become another Middle East, a booming market for U.S. petroleum expertise and equipment.

But a seminar held here last week by the National Council for United States-China Trade heard a number of experts pour cold water on this enthusiasm. About 200 oil company executives attended the daylong seminar. Most of them represented such oil giants as Exxon, Shell, Hughes Tool, Texaco and others—all knocking on China's door for business, and all somewhat disappointed with results thus far.

Even the CIA came. It sent agents to attend the meeting and even provided the luncheon speaker, James Lilley, an old China hand and a CIA deputy administrator who told the oilmen: "It raises the hackles of the Chinese that they are becoming dependent on Westerners again."

It reminds them of 19th-century dominance by Westerners, particularly Western oil companies.

"They face the question of whether to import technology to achieve economic growth or do it on their own," Mr. Lilley said.

Struggle for Succession. The oilmen were told that much of what takes place in China within the next few years will depend on the struggle for succession that has taken place since the death of Premier Chou En-lai and during the illness of party Chairman Mao Tse-tung.

The overthrow of Mr. Chou's heir apparent, Teng Hsiao-ping, and the succession of the present Premier, Hua Kuo-feng, a sort

of compromise selection for the position, further clouds the picture, they were told.

Thus, there has been and will continue to be a hiatus in the sales of petroleum equipment and in oil exports.

The consensus of several experts was that China has a total of about 70 billion barrels of oil offshore and on.

Current Chinese oil production is about 1.5 million barrels a day, compared to over 8 million in the United States and 10 million in the Soviet Union.

In April, a Chinese magazine, Red Flag, warned that China should not be exporting precious minerals just to gain foreign currency to buy Western technology and equipment.

The consensus of eight experts

who addressed the oilmen was that a number of uncertainties condition the future sale of petroleum equipment to China and the export of Chinese oil. These include:

- The size of China's oil reserves, believed to have been exaggerated in the past.

- The internal political conditions.

- China's willingness to export large amounts of oil.

- The possible reallocation of petroleum investments.

- And the high price of refining Chinese crude oil, most of which contains an abnormally high amount of paraffin.

Reports in the quarterly magazine Foreign Policy, last autumn, and from the Japan-China Oil Import Council, had raised hopes among some U.S. oil executives that China would be the next world oil giant. But subsequently, many U.S. government and industrial analysts have discounted these reports.

China's petroleum potential actually is less than that of the United States, according to A.A. Meyerhoff, an Oklahoma State University geologist and an expert on China's oil.

The oilmen were told that, he Soviet Union is the real giant in potential petroleum production but that its second-rate technology has prevented it from assuming world leadership.

They also were told, to their further dismay, that the Chinese buy only small units of equipment much of the time and then copy the machinery. They are proving better at this than were the Japanese in the past, according to Melvin Searls, a vice-president of the trade council.

© Los Angeles Times

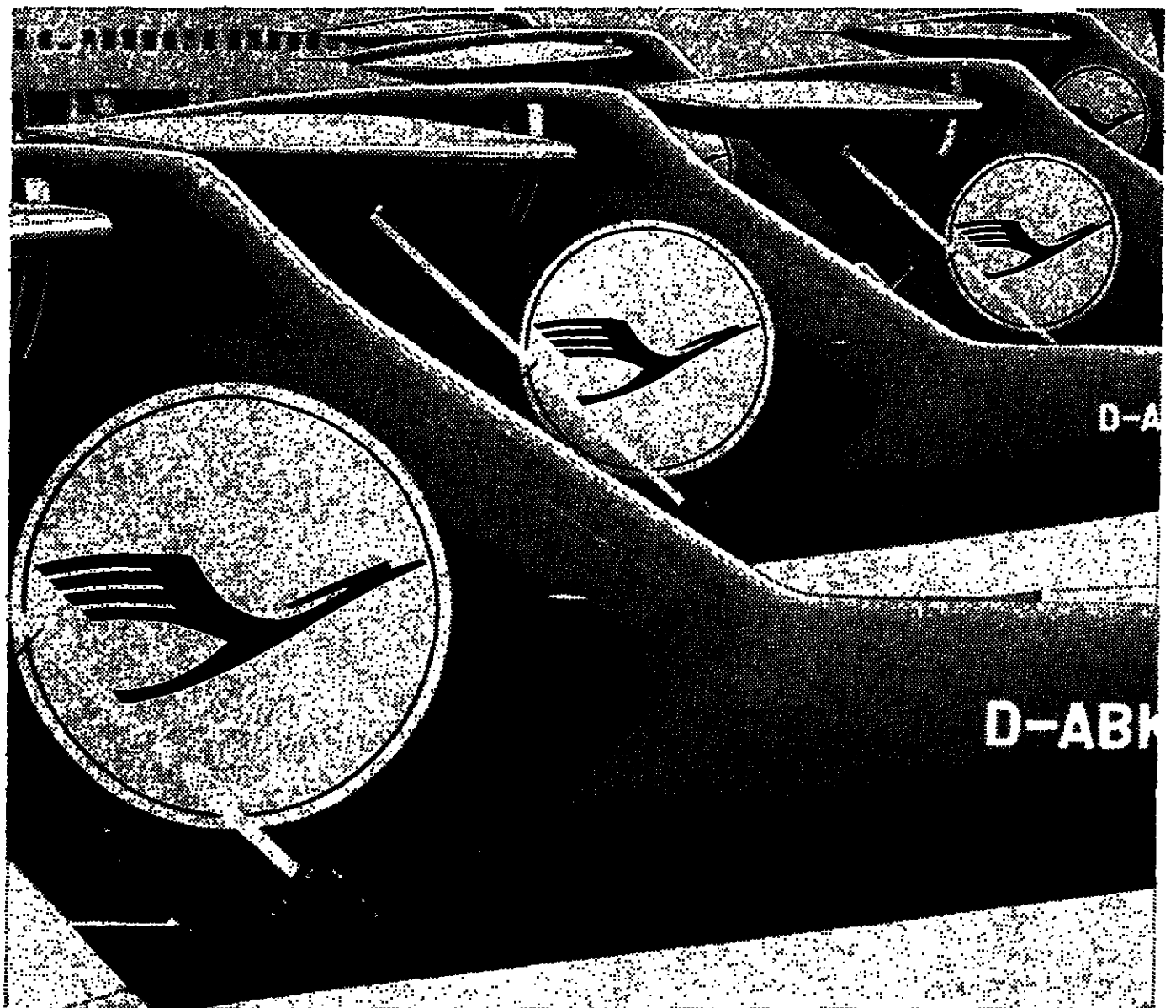
## Japan May Cut Whaling Catches

TOKYO, June 29 (Reuters). — Japan's whaling industry will have to cut operations by about 20 per cent next season according to new quotas set by the International Whaling Commission, fishery agency officials said yesterday.

The commission reduced the international catch by 4,000 whales when it set a new total quota of 28,050 whales at its annual meeting in London last week. Fishing for some species of whales was also banned.

Japanese government and fishing industry officials said that they had not yet decided whether the government would officially object to the cuts, which mainly affect Japan and the Soviet Union. These two countries account for 80 per cent of the world whale catch.

# The more you fly to Germany, the more you need Lufthansa.



No other airline has better connections to all of Germany.



**Lufthansa**  
German Airlines

Lufthansa. The more you fly.

# King's Ransom

12 years old  
A distinctly  
superior  
SCOTCH







FASHION

How to Pack for Lugging

By Hibe Dorsey

PARIS, June 29 (IHT).—The advances of Baroda still make it a good idea to pack with her own pink satin suitcase. But Rachel Welch had to carry her luggage into the Hotel de Ville at the recent Cannes Film Festival.

Every day, hundreds of not-so-famous travelers carry their baggage in and out of hotels because of service strikes. If you are lucky if you do not have to carry it across the street because of frequent personal strikes. And you are looking for some gallant and round today's airports. You don't get as much as a sympathetic glance.

The combination of strikes, airport congestion and weight problems have changed the packing approach. Every traveler has his or her own packing strategy. Based on a survey of seasoned travelers and my own years of schlepping across continents, here are a few suggestions for people beyond the packing stage.

The first thing to consider is the luggage itself. Big, heavy

cases are out. Use them to store your winter clothes in the closet. Nowadays you need more space for small cases. In case of emergency, you are going to carry them yourself.

A set of wheels is a gadget often used by the Japanese (and now available in most airports around the world) is a set of wheels that can be rolled around the luggage. It is not. But it is far easier to roll than to carry.

Such suitcases are the best to be stolen and are easy to draw questions from customs inspectors. The best luggage is dark and solid enough to stand the wear and tear of constant traveling. It should be easily identifiable when it comes around on a crowded baggage belt. The number of zippers and straps that are

and avoids the crumpled mess at the other end.

So much for the cases. When it comes to the contents, the first rule to avoid paying excess baggage charges is to cut down on clothes by concentrating on a couple of colors, black and white, for instance. By using the separate formula (pants, skirts and blouses) one can have several different outfits. That also cuts down on accessories, such as shoes, bags and belts. Beige shoes are ideal because they go with everything. One pair of gold or silver sandals would cover the evening picture. Further bulk can be avoided by using flat, clutch bags. Scarves and blouses weigh little and provide color.

Packing When it comes to packing itself, a good rule is to combine shoes and cosmetics in the same case. Organized people always keep their cosmetics kits full of their favorite make-up and vitamins, so they do not have to worry about packing these items at the last minute.

Dry-cleaning and pressing are a problem, even in the best hotels today. The answer: silk or wool jerseys. For many years, chic women would not travel without their furs. Now, it is Miss Dior. But there are more and more useful, weightless, uncrushable synthetics.

Some of the best packers in the world work in Paris fashion houses. Their trick is sticking miles of paper tissue into every nook and corner of their luggage.

Jaqueline Chiron combines advice she got from her mother's chambermaid and the technique at Chanel's (which she directs). "When I pack, I always fold along the seams and pleats. I use a lot of tissue paper but I also remember to fold the jackets around the matching pants or skirt to avoid creasing. I also fill in with scarves and sweaters."

Another trick: putting every garment on a light hanger from the cleaner's and slipping a plastic bag over it. All you have to do is hang the clothes up at journey's end. Besides, air pockets form in between the clothes and prevent wrinkling. If worse

Small cases are better than large ones since you are likely to end up carrying them yourself.



comes to worst, don't forget the old tried-and-true trick of steaming clothes in the hotel bathroom.

Lifestyles have a lot to do with packing. If you travel by car, be sure to have an extra, smaller case with a set of fresh clothes and whatever you need for an overnight stop. Kimonos make the best travel bathrobe. A seasoned traveler claims that whenever she stops for more than one night, she unpacks everything. "It takes a little courage, but I feel so much better," she said.

If you are traveling on business, all you need is a couple of suits and several shirts to keep you going and fresh for a few days. Don't forget to pack a light raincoat, even if you are headed for Florida.

Few people know what to wear on airplanes and most airports are a pretty dismal sight, with most travelers looking like so many DPs. The chicest traveler I ever saw is Emilio Pucci. He once boarded a plane to Mexico, dressed in impeccable business

suit, tie and all. On the plane, he changed into comfortable gray flannel pants and black turtleneck sweater—and went back to his business suit just before landing. Personally, I have found that a black jersey skirt or pants, a silk or wool sweater and a white blazer (that should be hung during the trip) make for a decent appearance all the way through.

Everybody has his own hang-ups when it comes to traveling. Fashion designer Jean-Claude de Luca, who flies often to Italy to check on his manufacturing plants, travels with loads of books and records. "I'd carry some paintings, if I could," he said. "I find it reassuring to build my own nest everywhere." Jet-setter Nan Kempner wraps her stockings and underwear in perfumed Lubin flannels. As for Cappy Badrutt, also of the international jet set, she would not part with her cosmetics bag, which she carries with her jewelry. "Darling, it's my face," she said. "Can you imagine me without my postiche? God Almighty!"

The Bordeaux Scandal Two Years Later

By Jon Winroth

BORDEAUX, June 29 (IHT).—This lovely old 18th-century city has become a boom town. New industry, new houses.

Even that most hide-bound part of the local economy, the wine trade, has woken up to a new boomlet, albeit in new hands. The Chartrons, the 17th-century wine firms founded by Protestant Dutch, English, Germans and Scandinavians, are now mummified vestiges of the past. They had been the innovators of their day, upstarts forced to live outside the city walls along the Quai des Chartrons (hence their name) by the existing establishment of aristocracy and rich bourgeois. The Chartron era came to an end with the disgrace of the infamous Cruse family firm in the 1874 scandal trial.

The 1880-75 boom when wine was called "red gold" was the downfall of the wine trade as it had existed up to then. The négoçiants (shippers) called themselves *discreets*. They bought wine, sometimes when it was still grapes on the vine, from the growers, aged it, blended it, gave it whatever physical and chemical treatments they thought necessary, bottled and sold it.

But in the decades following the war, Bordeaux wines rose very slowly in price, thanks in part to the monopoly of the market held by the Chartrons. By 1969, a time when interest in fine wines was growing, the ridiculously underpriced Bordeaux attracted multinational firms which were only too ready to invest in anything that looked promising.

Prices Doubled They "discovered" Bordeaux with a vengeance. Prices doubled overnight as buyers went around picking up anything available, untasted, unseen. Nobody cared, it was Bordeaux and the whole world was going to drink it.

The 1970 crop proved to be exceptionally good and this only fed the new enthusiasm for wine. Prices soared year after year, but the quality of the vintages was inversely proportional to the prices being paid: 1971 was no more than good but it sold for more than the exceptional 1970; 1972 was downright poor. No matter, it sold for more than the 1971. But when the huge 1973 crop, of only moderate quality, hit the market the following year, the bottom suddenly fell out. At the same time, the Cruse scandal broke and the Arabs suddenly quadrupled the price of oil. The industrial world went into a tailspin and the first thing to go was luxury—Bordeaux and Champagne wines in the lead.

The négoçiants continued buying out of fear of losing their contracts with the growers, but they couldn't keep it up when the small, top-quality 1975 vintage appeared and sent prices up again. Their cellars were, and still are, filled with enormous stocks of 1972 and 1973 which they bought for three times what these wines are worth now. Today the 400 négoçiants of Bordeaux, none of them large enough to absorb their losses, are up to their ears in debt.

What all these speculators forgot was the consumer, who was not about to pay outrageous prices for inferior wine, especially in an economic slump. Oil may be a necessity, but nobody has to drink wine.

New Powers

So today the négoçiants have largely stopped buying, except for those few who refused to buy at artificially inflated prices during the boom. These are the new powers in Bordeaux, together with the multinational-backed firms, whose massive resources easily absorbed the wine losses.

Sales direct from the châteaux have also increased spectacularly. You can now write directly to any Bordeaux vineyard and buy your wine from the owner. In the past, he would have directed you to his négoçant. For example, Chateau Larose-Trintaudon, owned by the Furber family, is the largest single vineyard in the Médoc, with 180 hectares under plantation. It has the means to promote and sell its wine directly to the consumer, which is a way out for such big, high-quality (but unclassified) vineyards.

Another system, most successfully used at Saint-Julien, is direct sales via the cooperative, which now has its own distribution circuit and 68 representatives. Some châteaux have even become négoçiants. The most successful example is Mouton-Rothschild, a premier grand cru classé, which is only the most prestigious part of Baron Philippe's "Bergerie," as his firm is called. It also makes two fifth-growths and the brand-name Mouton Cadet, which sells 5 million bottles a year of generic red and white Bordeaux.

All of this is fine for the grande crûs, they can take care of themselves. But what about the 50,000 growers whose average holding, mostly in the less prestigious appellations, consists of three or four hectares? They used to sell all their wine to the

négoçiants as soon as the fermentation was over. Estate bottling and direct sales are out of the question for the vast majority of these small growers.

In fact, the whole Bordeaux vineyard, its wines and methods of marketing, needs a complete overhaul. That is precisely what the formerly moribund Comité Interprofessionnel des Vins de Bordeaux (CIVB), grouping growers, négoçiants and other members of the trade, proposes to do. At least that's what its president, Jean-Paul Jaffret, former president of the firm of Dourthe (one of the new breed), intends to do. Today he is saying openly what others have said for years: "Wake up, Bordeaux! Get your house in order before it's too late!"

Bordeaux, the largest fine-wine vineyard in the world, produces an annual 3 million hectoliters of appellation contrôlée wines and another 1.5 million hectoliters of *vin ordinaire*. Among Mr. Jaffret's proposals are:

• The creation of regulatory stocks to sell off during an over-heated boom, or build up in a slump, to keep the growers' income more regular and the market more stable.

• Help from the national government in financing these stocks and other difficult transformations of production and marketing.

• A complete overhaul of antiquated, tradition-based legislation that does not take nature and technical progress into account.

Among the more specific ideas that the new CIVB would like to see developed is the reorganization by concentration of the more than 40 appellations contrôlées in the region and the elimination of the majority of the 3,000-odd so-called "châteaux," many of which are no more than trademarks. No one can make his way through the present thicket of regions, sub-regions and estates.

At the top of the heap would be the prestigious *grande crûs* classé which need no help. Below them would be "château" wines, truly representing quality estates at more moderate prices, say from 10 to 25 francs a bottle. Below that you have the mass of wines,

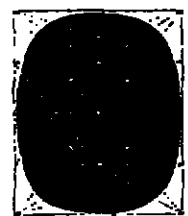
often with a "château" name that may sell for as little as 5 francs a bottle and which are usually undistinguishable from plain generic Bordeaux. This is what they should be sold as, with or without a trademark, in a standard, easily recognized bottle. They would not have the right to the term "château," which is completely unregulated today.

There are many other ideas and proposals in the offing, but something must be done and soon, says Mr. Jaffret. The Bordeauxis are willing to make a start but they must have the accord of the national government and some help. And what is left of the négoçiants must get together behind him and the CIVB.

"I'm not defeatist," Mr. Jaffret says, "but I have no illusions, either." He has made the public promise to resign within the next few months if not supported locally. And if Paris continues to turn a deaf ear to the region's problems because it has remained quiet so far, well, the supposedly staid, unexcitable Bordeauxis are now ready to go out in massive demonstrations and barricade the roads, as wine-growers in the Midi have done in the past. And Mr. Jaffret promises to be in the lead of any such movement if it comes to that.

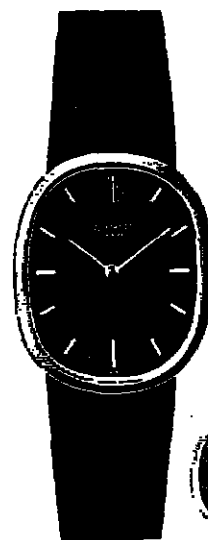
Albino Tapir Missing

NORRKOEPING, Sweden, June 29 (Reuters).—An albino tapir believed here to be the only one of its kind in the world, is still missing after escaping five days ago from the Kolmaran open-air animal park near here. The long-nosed South American mammal was last seen swimming in a bay near the park.



Unmistakable

Golden Ellipse and 18 kt. blue colored gold. They invariably identify Patek Philippe designs. They tell you that the watch was finished entirely by hand, in the manner practiced by Patek Philippe since 1839. The Golden Ellipse was derived by Patek Philippe from the Golden Section, the principle which already inspired the design of the Parthenon. Blue colored gold is a bit of alchemy signed Patek Philippe.



Men's model Ref. 3748. Cufflinks also feature Golden Ellipse, 18 kt. blue colored gold.

PATEK PHILIPPE  
Ennobled by the craftsman's touch

Catalogue and list of nearest jeweler from Dept. HT, Patek Philippe S.A., 41 Rue du Rhône, 1211 Geneva 3, Switzerland.

PARIS FILMS: 'Distasteful Trash' About Nazis

By Thomas Quinn Curtiss

PARIS, June 29 (IHT).—Perhaps you thought we got rid of the Nazi trash of 1945—but now they are back on the screen in droves. No neo-Nazis these, but the venerable Hitlerites of wartime lighters. The Italians have a particular penchant for them. "The Night Porter" needs no telling. In "The Nazis' Secret War" (at the Odéon and Rialto in English) there is a double swastika parade.

If the conquest of Europe by German armies was employed as a tonic warning, these films are but valuable history lessons. What preoccupies the movie-maker is the night life of the city, the sex life of the Nazis, the "pure Aryan" breeding experiments and the ghastly tortures they perpetrated in their chambers. As quite sufficient information on these matters has long been available, there is no startling masochism in the acceptance of these belated and mild "exposés."

"Blau Kitty" had problems in the censor in Italy and, during a few cuts and profiting in the publicity, has been directed to become a box-office draw. In France it is unlikely to attract a star, alternating as it is between soft and hard porn and the background of World War II Germany. Blau Kitty is a Berlin brothel run by the privileged class of 1939. Some of Madame's girls are recruited for a sting operation with the SS elite, a story arranged by a cold-blooded bureaucrat (Helmut Berger) to be a local Texas Guinan.

The madame (monstrously played by Ingrid Thulin) appears in the floor shows her seductiveness in which she is a poor imitation of Zsa Zsa and Mariette Dietrich. Director the whole gives poor actress of the "Cabaret" stereotypes with sadists and masochists swimming in the big house and elsewhere. The dramatic personae is the one had hoped was slain in World War II: the "good" Nazi. A "good" girl of the house is a double after the Allied bombing of the Third Reich, last for a thousand years. Ensemble may be summed up distasteful trash.



From left: Franco Nero, Claudia Cardinale, Fable Testi in "I Guappi."

Pornography and politics are as responsible as television for the chronic absenteeism of moviegoers. "On Aura Tout Vu" (at the Gaumont Ambassade, Berlitz and Cluny Palace) attempts to poke fun at the first two topics.

A wild-eyed author has composed a solemn scenario about a terrorist on the lam and a slick producer decides to use it as a springboard for scenes of nudity and formation. The naïve sex-hungry girl, a shrill-voiced harpist (Mon-Mon) threatens to leave him if he sells out his message and he, instead of rejecting at this offer, becomes extremely worried, especially as his shrieking sweetheart compounds her threat with another, to take the leading role in the revised "adult" version. Pierre Richard as the harassed screen writer is an ingratiating clown, and Jean-Pierre Marielle is an asset as the successful movie magazine. There are some humorous sequences, but the film is obvious and mechanical in its treatment, now spoofing farce and now all-out slapstick.

"Folies Bourgeoises" (at the Vendôme, Balzac and Rex) reveals its director, Claude Chabrol, in a state of utter confusion. It is impossible to decipher what he had in mind—if anything. Is his film intended as satire, sardonic narrative or psychological study?

Taking as his starting point Lucie Faure's novel, "Le Malheur Fou," he made his first error by changing the title to no purpose. The story is not about the bourgeoisie, but about bohemians, writers, publishers and their women. An American novelist residing in France has married a Frenchwoman who betrays him with his publisher. She, snooping on her lover, discovers her own husband's infidelity with an attractive translator. The wife is madly jealous of both her husband and her lover and her husband is jealous of her. An occasion for bedroom farce? Perhaps. And Chabrol has injected some boudoir feeling, but it falls very flat. Then he attempts to picture the distress of the husband, haunted by insane visions of the wife's adultery and the wife's fancies of her faithless mate's conduct.

Bruce Dern as the novelist competing for the Zola prize suggests by conversation and appearance to be in the running for

the Sinclair Lewis prize and Stéphane Audran as the mundane wife is her usual chic self, save in a lamentable episode when she is required to spit cherry pits. Ann-Margret makes a guest appearance as do Cécile Jurgens as a Rue de la Paix jeweler, Charles Aznavour as a nervous doctor and Tomas Milian as a private detective, but they cannot save "Folies Bourgeoises" from being a bewildering bore.

Pasquale Squitieri's "I Guappi" (at the Elysées Lincoln and Quintette in Italian with French subtitles) is by far the most worthy of recent arrivals. It has definite character and sustained style, though it is a bit long-winded in recounting its complicated plot revolving about the intrigues of a secret underworld society of Naples, a miniature Mafia, which strikes down its disobedient members with a grim implacability. Theatricality it would benefit by severe tightening for it tends to meander and the pace is at times listless. But the film holds attention by the artistry with which the Naples of the 1890s has been persuasively evoked. Its sense of period is unflinching throughout and one seems to be living in the back streets of the city's yesterday where poverty breeds crime and naked brutality stalks.

Franco Nero is a shun-born lawyer who attains high rank but cannot escape the revenge of the clandestine band. Fable Testi is another of the society's victims, executed because he refuses to kill his friend, and Claudia Cardinale appears acceptably as a woman of the people. But it is the intelligent direction with its skillful capture of local color and moods and the handsome mounting of the production rather than the performances that distinguish another admirable film from the Italian studios.

Louis XV Microscope Nets 350,000 Francs

MONTE CARLO, June 29 (Reuters).—A bronze microscope which Louis XV gave his mistress, Madame de Pompadour, fetched a world record price for a scientific instrument of 350,000 francs at the semi-annual auction here last week by Sotheby's the London auctioneers.

The 228-year-old royal microscope by French craftsman Alexis Magny was bought by Paris dealer Alain Brieux.

TEXAS OIL CORP.  
FOR ENTERPRISING, PROMOTING, INVESTING, OR INTERESTED IN START-UP NEW BUSINESS OR EXPANDING EXISTING BUSINESS WITHIN AN EXISTING BUSINESS.  
We have a variety of specialty services and are successfully operating in the oil and gas industry. We are looking for qualified individuals to join our team. For more information, please contact us at 1234 Main St., Suite 500, Dallas, TX 75201. Phone: (214) 555-1234.

BUSINESS OPPORTUNITIES  
ADDITIONAL OPPORTUNITIES  
Wednesday  
To place an advertisement contact our office in your country (listed in classified advertisements on back page) or Mr. A. Ferrero, 11 Rue de Berri 75008-Paris, Cedex 08. Tel.: 225-28-90. Telex: 380509.

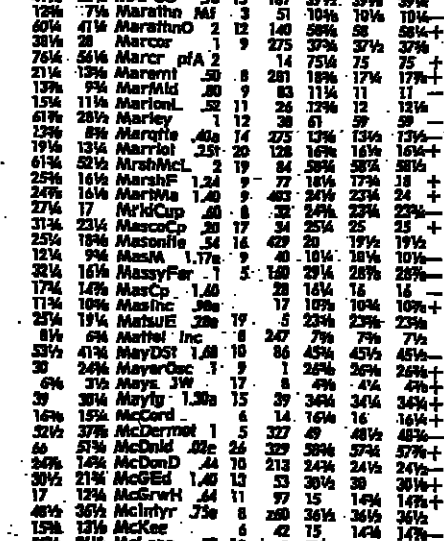
LONDON THEATRES  
AN ADULT MUSICAL  
LET MY PEOPLE COME  
RECENT THEATRE

Watch for this feature every  
MONDAY WEDNESDAY AND FRIDAY

AL CAZAR  
DINERS 21h. SPECTACLE 22h.  
RESERVATIONS  
030494-325335  
62 rue MAZARINE  
Paris 6ème

Lady L  
Business Lunches  
Dinner, Supper  
RESERVE YOUR SEAT NOW! BOOKING, PLEASE CALL  
(Call a Lady)  
ENTRANCE: Orchestra with CHRISTIAN BERGERON  
A MUSICAL NIGHT  
4, rue de la Bastille ARC 87 82  
Reservations: 225 21 95 or 82 99



[illegible][illegible][illegible]

(Continued on Page 10.)



## British to Seek Cuts In Japan Car Exports

LONDON, June 29 (AP-DJ).—Officials from Britain's and Japan's auto industry federations are to meet next week in Tokyo to discuss a new agreement to restrict Japanese car exports to Britain.

Britain's motor industry exports in May rose only 3 per cent to 2,261.5 million, the Society of Motor Manufacturers and Traders (SMMT) said today.

The society said that imports continued to surge. They reached a record of 2,133 million in May, with the highest rise falling in auto imports, which showed a 9-per-cent rise in value compared with May, 1975, to \$211.7 million.

Britain's surplus on overseas trade in motor products at \$128.2 million was 31.5 per cent below that of May, 1975, the society said.

Commenting on the comparative May-June performance, the SMMT said it was a natural adjustment, following the above-mentioned performance over the earlier months of the year.

In January, the society forecast a 26-per-cent rise in the export surplus for the full year to 1976.

At the end of May, the industry

was fractionally ahead of this target.

For the year, the society also forecast a rise of 24 per cent in total motor exports. At the end of the first five months the industry was in fact well above this forecast with exports up 23.3 per cent over the first five months of 1975, said a spokesman.

The spokesman said the Tokyo talks will also seek to open up the Japanese market to U.K. cars and balance the lopsided auto trading between the two countries.

In the first five months of this year, 54,000 Japanese cars were sold here—one of every 10 autos sold and 3,000 more than in the year-ago period.

Sales of Japanese cars in the first five months of this year have been relatively steady at 53,888, or 9.03 per cent of the U.K. market compared with 51,990 units, or 8.41 per cent a year earlier.

However, pressure continues for some sort of import controls on cars, as foreign models have increased their share of the total market so far this year to a record 35 per cent from 33.4 per cent a year earlier. The imports share of the U.K. market is the highest of any of the world's five major car-producing countries.

## Invisible Exports Of U.K. Expected To Grow by 14%

LONDON, June 29 (Reuters).—The overseas earnings of the major U.K. service industries could grow 14 per cent this year, a Committee on Invisible Exports report says.

The report is based on a survey of industries which last year accounted for about half of the nation's total invisible earnings of \$20.4 billion.

A substantial number of replies did not take account of falling recent fall and the rate growth may therefore be underestimated, the committee said.

The Middle East and North Africa are forecast as the major growth areas in 1976, as they are last year.

The construction industries expect the sharpest rise in earnings, mainly because of increased Middle East business. Consulting engineering, tourism and insurance also expect considerable growth.

The stock exchange expects a small fall in overseas earnings, because of the expected decline in the volume of world share trading and the effect on the London market of the 25 per cent dollar premium surrender, a committee said.

In the first quarter, the net invisible earnings surplus was \$270 million, up 19.8 per cent from the first quarter of 1975.

## Ailing Ship Firm Expects Accord On Financial Aid

LONDON, June 29 (AP-DJ).—Maritime Fruit Carriers (MFC) expects to reach agreement shortly for financial aid, Milla Brenner, one of the founders of the troubled shipping company, said today.

Mr. Brenner said negotiations currently under way could lead to an injection of \$15 million from U.S. and European investors or a merger with a New York-based firm or a combination of the two.

Maritime Fruit ran into trouble earlier this year when it was disclosed that the company was in default on \$28.5 million in debt repayments.

At that time Mr. Brenner and Yacov Meridor, a co-founder of the firm, lost their positions as chief executives, although they continued to stay on the board.

H. Struve Hensel, a New York lawyer, was named president in February.

Mr. Brenner said that he and Mr. Meridor had been asked at a board meeting Saturday to take over as chief executives due to the worsening situation at Maritime Fruit. In the weekend shuffle, Mr. Hensel reportedly was offered a job as consultant but apparently refused.

Since June, six of Maritime Fruit's ships had been seized by creditors. There is also a danger of other refrigerated ships in the company's fleet losing business because of the uncertain situation concerning the firm's finances.

## EEC to Discuss Envoys to Summits

LUXEMBOURG, June 29 (AP-DJ).—British Foreign Secretary Anthony Crosland gave a brief account to his constituents today of the talks at the Puerto Rico summit meeting.

Although this agenda item was passed without further comment from the smaller EEC members, the rift between the Common Market's major economic powers and the smaller ones about EEC representation at any future economic summit remains.

The Dutch, Belgian and Danish ministers have put the community on notice that this issue will be on the next EEC summit meeting agenda. The meeting is scheduled for July 12 and 13 in Brussels.

**BANKINVEST**  
Your internationally active private bank in Switzerland

**BANK FOR INVESTMENT AND CREDIT LTD.**  
Brandschenkestrasse 41, CH-8039 Zurich.  
Phone: 01/25 55 55  
Telex: 54 374

## FINANCIAL NEWS AND NOTES

### Du Pont, Arco in Joint Venture

Du Pont directors have approved a joint venture with Atlantic Richfield Co. to build a \$1-billion petrochemical raw materials facility in the Texas Gulf Coast area. Arco directors have also approved the project and a formal agreement is to be executed shortly. Each company will own half of the new venture, which will be called Centennial Hydrocarbons Co. The plant will have the capacity to use about 100,000 barrels of crude oil a day as raw material. It will be able to produce more than 1 billion pounds of ethylene a year, plus quantities of propylene, butadiene, benzene, toluene and xylene. The materials are used to produce man-made fibers, plastics and elastomers. Construction is expected to start in 1978. Du Pont says it will use its share of the petrochemical products produced at the plant, which will amount to less than a third of its hydrocarbon requirements.

### Rowntree Mackintosh Rights Offering

Rowntree Mackintosh plans to raise \$12.3 million through a rights issue. Current shareholders will be offered the opportunity to purchase one new share for 178 pence for every five shares they currently own. In all, 1.2 million new shares will be issued. News of the offering depressed the food product firm's shares on the London Stock Exchange 13 pence to 203 pence. The new shares will not rank for the final dividend of 4.5 pence per share for the year to Jan. 3, 1976. The company says that sales, profits and earnings will not compare unfavorably with those of 1975 and expects to recommend a dividend of no less than 7.25 pence per share for the year to Jan. 1, 1977.

### Toyo Kogyo Improves Rotary Engine

The president of Toyo Kogyo, Kohji Matuda, says his company has succeeded in developing

an improved rotary engine that will meet Japan's proposed 1978 emission controls without sacrificing fuel economy. The company is planning to put the new engine into production before the standards come into force in April 1978. He says the company developed the low-pollution rotary engine by improving the combustion space the exhaust recirculation system and the thermal reactor. The production cost of the improved engine will be almost unchanged from the present one, as the new engine can be manufactured at the existing plant. Toyo Kogyo, the maker of Mazda rotary-engine cars, is the third largest Japanese car maker.

### U.S. Utilities Cut Capital Outlays

Electric utilities in the United States slashed capital appropriations 69 per cent in the first quarter to \$4.53 billion from \$14.51 billion in the like period a year earlier. First-quarter appropriations fell 49 per cent from the 1975 fourth quarter, says a Conference Board survey of investor-owned utilities. It also found that electric utilities canceled \$3.3 billion of projects, nine times the \$368 million of cancellations a year earlier and up 10 per cent from the final period of 1975. The Conference Board, a non-profit business research organization, says that outlays for the first quarter rose 6 per cent to \$4.07 billion from the year before and were up 5 per cent from the fourth quarter of 1975.

### Rhone-Poulenc Textile Investments

Rhone-Poulenc Textiles plans to invest substantially on streamlining and product improvement, particularly in synthetic fibers. However, no financial details were given. The increased investment is being made despite the fact that the recovery in the textile sector has been slower than in other activities, the company says. Tonnages have increased, but selling prices are still too low, it adds.

## The Puerto Rico Summit: An Analysis

### Conditional Solidarity on Economic Growth

By Hobart Rowen

WASHINGTON, June 29 (WP).—"Franchising moderate economic growth," Treasury Secretary William Simon told reporters on President Ford's plane on the return from the Puerto Rico summit last night, "is like trying to sell leprosy."

The conservative U.S. cabinet officer offered that capsule estimate of the difficulty in convincing Western European leaders and Prime Minister Takeo Miki of Japan that slower economic growth would be good for them.

Perhaps the surprising major result of the Puerto Rico summit is the degree to which the other leaders did in fact make a public pledge to give the fight against inflation priority over the fight against unemployment.

"Basically, they are in agreement that if the current expansion gains too much strength, a new inflationary boom, followed by a 1977-78 recession, is a likely scenario."

But French President Valéry Giscard d'Estaing, Prime Minister Pierre Elliott Trudeau of Canada, and Chancellor Helmut Schmidt of West Germany find an all-out war against inflation, totally ignoring the consequences for jobs, politically impossible.

Mr. Miki is in a shaky position for many reasons, and Britain—last to slip into the world-wide recession of 1974—is far from having achieved a recovery that needs to be slowed down.

In one way or another, these leaders deftly told Mr. Ford that "go-slow Republican economics," while undoubtedly the right, it bitter, medicine for much of the industrialized world at the moment, needs some sugar-coating.

So Mr. Giscard d'Estaing could say in one breath that the fight against inflation must be given first priority, but "at the same time . . . a policy of increasing employment must be followed."

And Mr. Schmidt, who faces a touch-and-go right-wing challenge in a nationwide October election, stressed "our common determination . . . to create new employment opportunities and thereby decrease still existing unemployment and to achieve full employment again."

Prime Minister James Callaghan, in a desperate struggle to halt a potentially disastrous collapse of the British pound, warned that each nation would have to come to grips with the problem of excessive growth "in its own way." The danger, Mr.

Callaghan noted, was that excessive concentration on inflation might produce record high numbers of people out of work.

Why, then, did President Ford's pitch for moderating growth have the degree of acceptance which it did in the final declaration at Puerto Rico?

For one thing, the pace of inflation in the 24 nations comprising the Organization for Economic Cooperation and Development is already rising, because of the strength of the recovery from recession. In April, the OECD nations' inflation rate was running close to 13 per cent, double the level of the preceding two months.

And increasing amounts of the industrial nations' budgets are being directed into welfare and assistance programs, leaving less for investment that many economists feel nurtures profits and produces jobs.

Interestingly enough, the Europeans accepted President Ford's suggestion that capital investment be increased, but only when it was coupled in the declaration with the British call, endorsed by the Germans, for "partnership among all groups within our societies."

And such a partnership, the declaration goes on, will in some cases involve "income policy" so far successful to hold down wage increases by giving low-income families a special tax break.

Mr. Ford and his advisers were not happy to see the phrase "income policy" in the final declaration, but they agreed reluctantly to its inclusion.

A more subtle pressure on everybody to conform to President Ford's insistence on slow growth is a new and stubborn U.S. attitude toward international bail-out operations.

The U.S. Treasury and the Federal Reserve Board recently made clear when they participated in a new \$3.5-billion line of international credit for Britain, that such loans will no longer be made or extended on an automatic basis and that tough "conditions" will apply. Such conditions are intended to curb inflationary pressures, whatever the political pain.

"It makes no sense," says Mr. Simon, "to throw money down the drain."

For the other lagged in the group of seven at Puerto Rico, Italy, the message was loud and clear: A multi-billion aid package might be available if Italy gives

the right signs that it will cut its budget, reduce money supply growth, and clamp a lid on wage advances. But so far, there is no organized government in Italy equipped to respond to the summit's offer of help on these conditions.

Details of other important secret discussions at the summit (Secretary of State Henry Kissinger warned with precision: "No communiqué can reflect side attitudes and conversations"), may trickle out in the next few weeks.

For example, it is true that no agreement was reached on creating a unified rich nations' position to counter the poor nations' demand at the Nairobi conference of the United Nations Conference on Trade and Development for a \$3-billion common fund to finance "buffer" commodity stocks.

But U.S. officials believe that Mr. Ford, Mr. Kissinger and Mr. Simon sold their counterparts on the idea that responses to Third World demands should be resisted when, even if the political pressures are strong, they are not economically feasible. A line in the declaration promises help only when the proposed solutions to Third World problems "enhance the efficient operation of the international economy."

The summit did not go further along that line for two reasons: First, the Common Market nations cannot be left out of such a joint approach to the developing nations' demands.

Second, the summit leaders did not want to provoke and arouse the ire of the poor nations. A way to handle this delicate problem will be quietly sought through the OECD, so that the next time the developing nations bargain at UNCTAD, they will not be in total disarray, as they were in Nairobi.

On all sides, officials felt that the most disappointing failure of the summit—true also of Rambouillet—was the absence of any meaningful action to reduce dependence on oil imports from the oil cartel. The declaration could have given a fuller report of a frustrating discussion, but the leaders cut mention of energy to a single line.

The reason: They did not want to give the Third World the chance to say that the rich nations care only about energy, and not at all about other commodity problems of concern to the non-oil developing nations.

## Germany, Japan Lead In Investment in U.S.

By Ronald L. Soble

LOS ANGELES, June 29.—West Germany and Japan—not the oil-rich Arab countries—will show the fastest rates of increase in foreign direct investment in the United States in the 1970s, a major foreign investment study has concluded.

The 350-page report, prepared by Arthur D. Little Inc. (ADL), also expects a new surge of foreign investment in the United States. The increase may total \$45.5 billion by 1980, the report says.

The greatest surge in direct foreign investment occurred in the 1971-74 period when a level of \$26.5 billion was reached, says ADL. But international inflation, oil price increases and a worldwide recession then inhibited investments.

Now, says ADL, a combination of such anticipated factors as improving labor conditions, faster productivity growth and greater investment security will turn the investment situation around and make the United States a much more attractive risk.

The Commerce Department paid ADL \$100,000 for the study, performed over the summer of 1975. It is part of a more comprehensive study of foreign investment stemming from congressional concern over foreign investment intentions in the United States.

ADL says it conducted interviews with 70 foreign companies, focusing on six countries which accounted for nearly 80 per cent of all foreign investment in the United States in 1974: West Germany, the Netherlands, Switzerland, the United Kingdom, Canada and Japan.

ADL's investment prognosis says that future direct investment activity in the United States "will likely be concentrated in those industrial sectors which have received the bulk of (investment) flows in recent years: petroleum, chemicals, food and beverages, primary and fabricated metals, lumber and paper, electronics machinery/electronics and non-electrical machinery."

"The West German direct investment growth rate in the United States may average between 15 and 25 per cent annually through 1980, says ADL. "Cumulative (West German) direct investment may thus rise from \$1.1 billion at the end of 1974 to about \$3.2 billion in 1980," it says.

"Future West German investor interest . . . will likely be focused on chemicals, pharmaceuticals, electrical products and possibly transportation equipment," says the report.

The annual growth rate of Japanese direct investment through 1980 is expected to average in the 12 to 18-per-cent range, ADL says. By 1980, it says, the Japanese stake in the United States should grow to between \$4.7 billion and \$6.5 billion.

Future Japanese investment interest, in part, will be in natural resource-oriented industries such as those associated with metals, chemicals, energy, agriculture, forestry and fisheries.

Of the 13 nations which are members of the Organization of Petroleum Exporting Countries, the report says that only five are likely to undertake any significant direct investment projects in the United States: Saudi Arabia, Kuwait, Iran, Qatar and Abu Dhabi.

(Saudi Arabia, Kuwait and Iran alone earned about 80 per cent of the \$33-billion OPEC surplus

in 1975, the Treasury Department has reported.)

ADL concluded that the direct investment activity of the Gulf nations "will increase only gradually" in the 1970s "with the bulk of long-term funds flowing into government and corporate securities and corporate portfolio investments."

Additionally, Middle East petrodollars will move into income-generating real estate and into selected manufacturing investments tied in with Gulf state industrial requirements, says the report.

ADL observed that these Gulf oil producers are expected to show restraint in their investments in the United States.

Los Angeles Times

## Prices Rise On Wall St.

NEW YORK, June 29 (AP).—Aided somewhat by favorable economic news, prices moved ahead at a snail's pace on the New York Stock Exchange today as advances outpaced declines by about 200 issues.

The Commerce Department reported that the index of leading economic indicators rose in May, the seventh consecutive monthly increase for the index.

But beyond that, analysts said there was little else around to influence stock market trading one way or the other.

The Dow Jones Industrial average was ahead 3.7 to 1,000.65, and advancing issues outpaced declines by about 800 to 585.

Volume totaled 19.3 million shares compared with 17.49 million yesterday.

At the close of NYSE trading, Atlantic Richfield was ahead 3 3/8 to 103 7/8, and brought to more than 3 points the advance in the oil firm's stock the last two sessions. Yesterday, directors approved a 2-for-1 stock split.

Also on the upside were Coca-Cola 1 3/4 higher at 83, Xerox 1 1/2 to 51, Woods Petroleum 1 1/2 to 27 3/4, Teletype 1 7/8 to 67 3/8, Polaroid 1 5/8 to 40, United Technologies 1 3/4 to 36 3/8, Burroughs 1 1/2 to 104, Northern Natural Gas 2 to 50 3/4, Digital Equipment 2 1/4 to 176, and Fairchild Camera 1 1/2 to 50 7/8.

Revlon, another firm spot, picked up 1 3/8 to 63. Eastman Kodak rose 1 to 100 3/4, and Super Oil 9 1/2 to 175.

But Standard Brands Paint fell 2 1/8 to 38 1/8, Dow Chemical 1 1/4 to 47 1/2, Kerr-McGee 1 1/4 to 80 1/4, J.R. McDermott 1 3/8 to 47 3/8, and Levi Strauss 1 3/4 to 44 3/4.

Jim Walter fell 2 5/8 to 33 3/8. Prices on the Chicago Board Options Exchange advanced, with gains topping losers, 387 to 143. Turnover approximated 108,978 contracts, up from 72,827 contracts yesterday.

Prices on the American Stock Exchange advanced, with the Amex index up 0.17 to 105.08.

Disappointment with export business and a forecast of rain strongly influenced selling of grain futures on the Chicago Board of Trade.

## Market Closed

All stock exchanges and banks were closed in Italy Tuesday for a national holiday.

## Leading Index In U.S. Rises 1.4 Per Cent

### Fed Revises Figures On Industrial Output

WASHINGTON, June 29 (AP).—The government's index designed to show future economic trends jumped 1.4 per cent in May, the fastest rate of increase in 10 months.

The increase put the index of leading indicators, a composite of a dozen statistics selected to foreshadow the future, 13 per cent ahead of where it was a year ago, the Commerce Department said today.

In another report, the Federal Reserve System revised its industrial output figures for May to show a rise of 0.5 per cent, rather than 0.7 per cent as originally reported.

The April increase was 0.4 per cent rather than 0.5 per cent, the Fed said.

The revision brought the index (1967 equals 100) to 129.4, up 15.8 per cent from the cyclical low reached in March, 1975.

The rise in the leading indicators index, which has been increasing steadily since March, 1975, augured continued economic growth and steady creation of new jobs.

The rise in May was the biggest monthly increase since 2.5 per cent last July. It doubled the increase of 0.7 per cent in April, revised downward from an original 1.1 per cent.

### Revised Output Data

WASHINGTON, June 29 (NYT).—The 1974-75 recession was deeper—and the subsequent recovery faster—than earlier statistics had indicated, revised figures for the Federal Reserve Board's industrial production index showed today.

The revision of the industrial production index is one of the major overhauls and improvements that occur every five years or so. It changes the figures all the way back to 1963, though the most significant revisions cover the period since 1970. Among the highlights were the following:

• Industrial output grew more rapidly than had been thought from late 1970 to late 1973. The index for the end of 1973 is now about 3.5 per cent above the old index, and by the autumn of 1974, just before the recession, the gap had widened to 5 per cent.

• The pre-recession peak month is now placed at June, 1974, with an index figure of 121.9 (with 1967 output taken as 100), instead of the former peak of November, 1973, at an index of 127.5.

The basic "profile" of the recession and recovery is not changed. The economy began to plunge in the fall of 1974 and to recover in the spring of 1975. However, the decline is now put at 18 per cent from September to March, steeper than indicated earlier, and the recovery from April of last year through May of this year is now put at an annual rate of 13.5 per cent, compared with 11.4 per cent in the old index. The recession-low month is now seen to have been March, not April, of 1975.

### Operating Capacity

WASHINGTON, June 29 (WP).—The producers of materials—the basic stuffs from which final manufactured goods are made—were operating at 78.9 per cent up from the lowpoint of 70.8 per cent in the second quarter of 1975. Materials include such products as steel, paper, chemicals and textiles and account for about 40 per cent of industrial production.

**Now it's easy  
to get yourself a perfect  
memory.**



Our memory is fallible. And writing is often inconvenient. But now we can do something about it with the new light-weight Philips Pocket Memo 185.

The Pocket Memo 185 has unique new features. Like a red operation warning light. An audible end-of-tape signal. Separate microphone and loudspeaker. It can record and amplify telephone calls or conferences with equal efficiency. Even operate on the mains. And much more besides.

**Philips Pocket Memo 185  
your perfect  
memory insurance.**

Any doubts? Ask for the Pocket Memo 185 Documentation Set. Send me your Pocket Memo 185 Documentation Set.

Name: .....  
Address: .....  
Country: .....  
To Philips Industries,  
Desk Equipment Division,  
Eindhoven HBS-2, The Netherlands

ON JULY 1, 1976

**Arab Finance Corporation  
(International) s.a.**

and

**Arab Finance Corporation s.a.l.**

**European Offices**

will be moving to new premises

AT 49/51 AVENUE GEORGE-V, PARIS (8e).

New Telephone Nos.: 720-78-04, 720-78-11 & 720-78-27.

Telex: ARABFI 630 689 F.

Cable: FINANCORAB PARIS.







### Index Nationwide Trading, June 28 — Closing Prices

Stocks and Bonds	Div. Yr.	1974-75		1975-76		1976-77		1977-78		1978-79		1979-80		1980-81		1981-82		1982-83		1983-84		1984-85		1985-86		1986-87		1987-88		1988-89		1989-90		1990-91		1991-92		1992-93		1993-94		1994-95		1995-96		1996-97		1997-98		1998-99		1999-00		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		2020-21		2021-22		2022-23		2023-24		2024-25		2025-26		2026-27		2027-28		2028-29		2029-30		2030-31		2031-32		2032-33		2033-34		2034-35		2035-36		2036-37		2037-38		2038-39		2039-40		2040-41		2041-42		2042-43		2043-44		2044-45		2045-46		2046-47		2047-48		2048-49		2049-50		2050-51		2051-52		2052-53		2053-54		2054-55		2055-56		2056-57		2057-58		2058-59		2059-60		2060-61		2061-62		2062-63		2063-64		2064-65		2065-66		2066-67		2067-68		2068-69		2069-70		2070-71		2071-72		2072-73		2073-74		2074-75		2075-76		2076-77		2077-78		2078-79		2079-80		2080-81		2081-82		2082-83		2083-84		2084-85		2085-86		2086-87		2087-88		2088-89		2089-90		2090-91		2091-92		2092-93		2093-94		2094-95		2095-96		2096-97		2097-98		2098-99		2099-00		2100-01		2101-02		2102-03		2103-04		2104-05		2105-06		2106-07		2107-08	
------------------	----------	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--

[illegible][illegible]

## Toronto Stocks

[illegible]

## Montreal Stocks

[illegible]

*These securities having been placed privately by the undersigned, this notice appears as a matter of record only.*

## New Issue

**\$17,000,000 U.S.**

**Laurentide Financial Corporation Ltd.**

### Collateral Trust Notes, Series M

**To mature April 15, 1991**

**Nesbitt Thomson Securities Limited**

**Pitfield, Mackay, Ross & Company**

Odum Brown &amp; T. B. Read

June 1976

**This advertisement appears  
as a matter of record only.**

**MELLANSVENSK  
KRAFTGRUPP AKTIEBOLAG**  
Stockholm, Sweden

**DM 50,000,000**

## Long-Term Financing at a fixed rate of interest

arranged and provided by

## deutsche Lande

**Girozentrale**  
in cooperation with  
**Svenska Handelsbanken**

\_\_\_\_\_











